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The 2 Faces Of Israel Stare Down Each Other

Orthodox Jews Swarm Jerusalem; Secularists Hold a Counter-Rally

By Lee Hockstader
Washington Post Service

JERUSALEM — Separated by a half-kilometer of pavement and a massive gulf of mutual suspicion, the two sides of Israel's great cultural divide — religious and secular Jews — took their grievances to the streets Sunday in competing rallies of impressive size and startling contrasts.

On one end of Ben Zvi Avenue in Jerusalem, a huge crowd of rigorously Orthodox Jews stood swaying in public prayer: pious men in a massive sea of black hats, black robes and black skullcaps, strictly segregated by a stone wall from their equally devout, modestly dressed wives, mothers, sisters and daughters. The police estimated their numbers at 250,000.

On the other end of the avenue, the smaller but still sizable gathering of secular Jews could easily have passed for an American college campus demonstration, complete with pop songs and a hot-air balloon, hot dogs and popcorn.

There were baseball caps and earnings and painter's pants for the men; bare midriffs and tight pants and basic black for the women. The police estimated their numbers in the tens of thousands.

Israelis debate the religious state of their nation. Page 4.

Politicians and pundits had warned that the bitter antagonism between the two sides, and the proximity of their protests, would turn the demonstrations into a powder keg primed to explode. The police were out in force on the ground and in helicopters to keep the peace.

Mindful of the dire predictions, each side seemed intent on proving itself the more peace-loving, and except for some shouting and jostling, a stink bomb and the odd firecracker, all was calm.

It was not exactly lovey-dovey, however. Furious at a series of recent Israeli Supreme Court decisions limiting their power and privileges, and by their treatment in the mainstream media, senior Orthodox rabbis convened the religious rally to vent their anger at what they regard as their systematic persecution by Israel's secular elite.

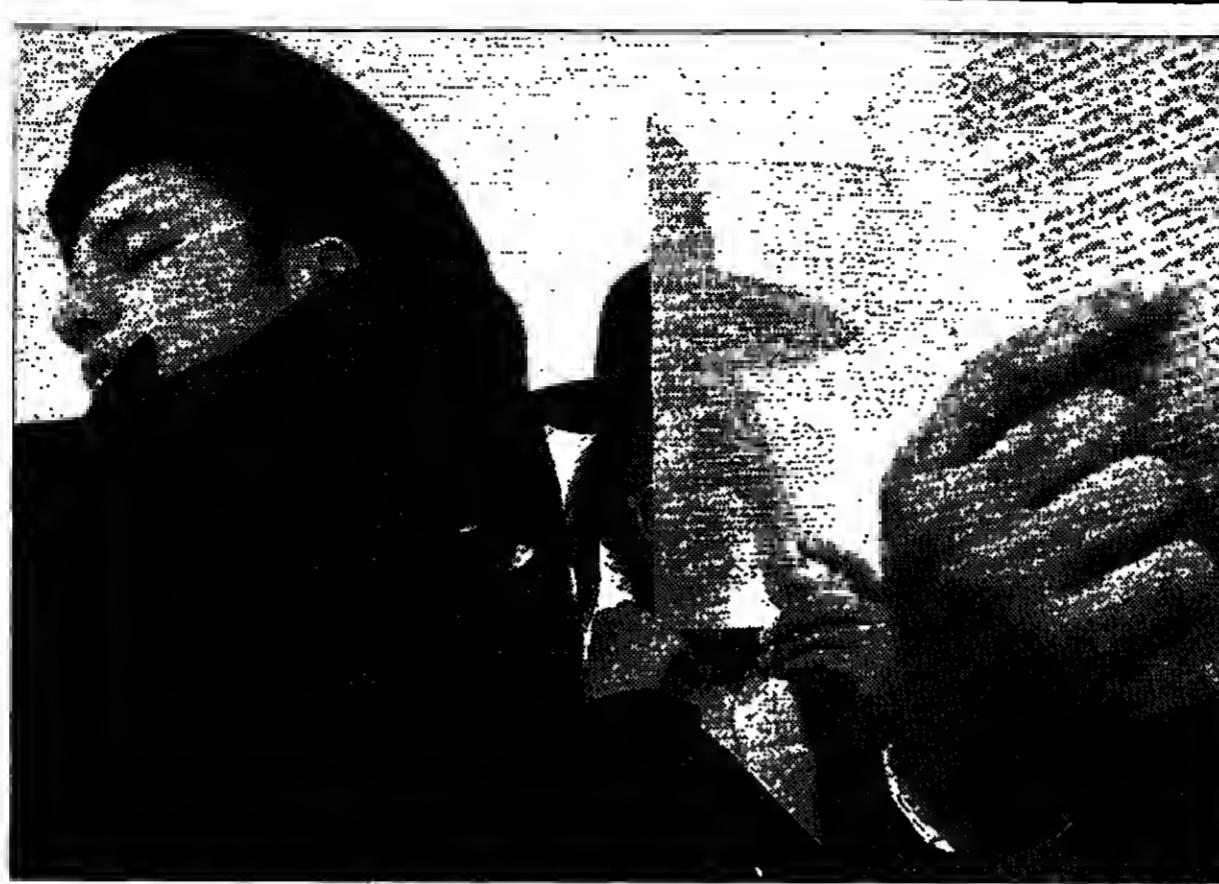
The court has lately handed down rulings ending a blanket exemption from army service for 28,000 Orthodox teenagers; permitting stores run by collective farms to operate on Saturday, the Jewish sabbath, and mandating that modern Reform and Conservative streams of Judaism be integrated into powerful local religious councils, until now the exclusive province of the Orthodox.

Now, in an especially sensitive case pending before the court, the Orthodox fear that they may also lose their monopoly as the overseers of conversions to Judaism in Israel.

Many of the rigorously Orthodox said the high court meant to squash Judaism in Israel, and a few contended heatedly that secular Israelis were in fact and Semites. Nearly all objected to the idea that secular courts should derive into what devout Jews consider religious affairs.

"We want a Jewish state with a Jewish character, based on the Torah and Torah values," said Yaakov Aram, 30, who is studying to be a rabbi. "What we're talking about here is secular co-

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Ultra-Orthodox Jews reciting a special prayer Sunday during their massive protest in the streets of Jerusalem.
Jim Hollander/Retna

Euro Lags at Starting Gate but Bettors Don't Fret

Mixed Results Don't Meet Expectations

By Tom Buerk
International Herald Tribune

LONDON — Launched on a wave of euphoria six weeks ago with hopes of challenging the dollar's dominance in the global economy, the euro has turned in a mixed performance, weakened by renewed economic difficulties in Europe but still showing a strong hint of long-term potential.

The euro has drifted steadily lower against the dollar, confounding widespread predictions that its value would strengthen as international investors rushed to build holdings commensurate with Euroland's share of the 'global economy.'

The euro closed at \$1.1296 on Friday in New York, up from \$1.1228 on Thursday, but down from a high of \$1.1837 on Jan. 4.

At the same time, however, the euro has attracted a surge of interest from governments, international institutions

and corporations that are eager to borrow in the new currency and thereby claim a place in what they expect will become a dynamic capital market second only to Wall Street.

These borrowers have raised a total of 194 billion euro so far this year, and the euro outdistanced the dollar to account for more than half of all international borrowings in January.

Significantly, the euro's relative weakness had not impeded the borrowing boom because most of the bonds are being sold to European investors, who are now able to choose from a vast range of credits while staying in their domestic currency.

"So far, the currency price has disappointed," said Jim O'Neill, currency analyst at Goldman, Sachs & Co. in London. But in terms of its potential to become a major reserve currency, "the euro's been a very successful thing so

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Central Bank Worries About Currency

By John Vinocur
International Herald Tribune

FRANKFURT — The European Central Bank is expressing concern that major European governments are undermining confidence in the euro by suggesting they could loosen the budget constraints of European Monetary Union while continuing to turn their backs on labor-market reform.

If the new single currency has performed with relative weakness since its introduction six weeks ago, the bank argues, it is no great wonder when it sees governments giving what it describes as permissive signals and acting as if they would call the European Union's Stability and Growth Pact into question. The pact limits deficit spending and debt accumulation by the 11 countries in the euro zone.

The bank's viewpoint, made clear in a conversation with the International Herald Tribune at the weekend, came in the

context of growing concern about Europe's weakening economy and attacks on the ECB's position by the German and French finance ministers.

The ECB appears to regard the moment as difficult and potentially critical one because it does not want to be cast as a scapegoat for Europe's economic difficulties and does not want to have its authority undermined by lowering interest rates in a surrender to pressure from the left-wing governments of Germany and France. At the same time, it is trying to avoid the appearance of giving economic lessons to its individual member countries.

But barely two months into its existence, the bank is confronted with criticism that goes to its independence and long-term reputation and the international credibility of the euro as a nonpolitized currency. In a greater sense, the circumstances pointed to the

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China Insists Hong Kong 'Rectify' Court's Ruling

By Mark Landler
New York Times Service

HONG KONG — In an escalating legal dispute between Hong Kong and China, the Chinese government has told Hong Kong's top legal official that a landmark ruling on immigration by the high court here violated the territory's constitution and "should be rectified."

Speaking on her return from a meeting in Beijing, Justice Secretary Elsie Leung said officials had told her the ruling by the Court of Final Appeal was "contradictory to the principles in the constitution."

Last month, the court ruled that children born in China to Hong Kong parents had a right to live in the territory. The decision opens the door to tens of thousands of Chinese residents, and it supersedes Chinese laws that make it very difficult for mainland people to move to Hong Kong.

See IMMIGRANTS, Page 6



Hong Kong's chief executive, Tung Chee-hwa, facing protesters Sunday.
Bobby Yip/Agence France Presse

Not Over Yet: Impeachment Debate to Echo in 2000 Campaign

Global Relief and Hope for Leadership

By William Drostzak
Washington Post Service

BERLIN — After watching in perplexed amazement while Washington stood by as President Bill Clinton's impeachment trial, the rest of the world breathed a collective sigh of relief with the news of his acquittal and expressed the hope that he would now turn his attention to what it considered more important business.

Newstand Prices

Bahrain	1,000 BD Mala	55 c
Cyprus	C £ 1.00 Nigeria	1200 Naira
Denmark	17 DKR Oman	1,250 ORF
Finland	12.00 FM Qatar	10,000 QAR
Gibraltar	£ 0.85 Rep. Ireland	£ 1.10 SF
Great Britain	£ 1.00 Saudi Arabia	10.00 SR
Egypt	£ 5.50 S. Africa	R16 inc VAT
Jordan	1,250 JD U.A.E.	10,000 DN
Kenya	K. SH. 150 U.S. M.	£ 1.20
Kuwait	700 Fils Zimbabwe	Zim\$400.00

Much of the world never understood how the president of the world's superpower could find himself in such jeopardy over a sexual dalliance with a White House intern. As a result, they saw the closing chapter of his trial as a much-needed attempt by the American political system to come to its senses.

In Mexico, where Mr. Clinton was arriving Sunday evening to meet with President Ernesto Zedillo, commentators described the impeachment process as an absurd melodrama. It was "incomprehensible" to the majority of Mexicans, observed the political analyst Sergio Sarmiento, that "an intimate relationship would be converted into a political persecution."

The Argentine writer Tomas Eloy Martinez lamented the saga that led to Mr. Clinton's trial on charges of perjury and obstruction of justice as "a pathetic story" replete with "moral hypocrisy" and the "horror of the temptations of sex."

In Israel, Ehud Barak, the leader of the opposition Labor Party, who is trying to remove Prime Minister Benjamin

As Bradley and Quayle Show, the Lines Are Already Drawn

By Dan Balz
Washington Post Service

WASHINGTON — Hours after the Senate acquitted President Bill Clinton, Bill Bradley, a Democratic presidential candidate, issued a statement saying it was time to "move past the partisanship" of impeachment and begin to rebuild trust in the political system.

Dan Quayle, the former vice president

Clinton's trip snubs opposition, Mexican critics charge. Page 3.

• Politicians fear greater intrusion into private lives. Page 2.

There may be no escaping it. The reverberations from the year-long impeachment drama will shape the coming campaign in ways both obvious and unpredictable. As the Quayle and Bradley statements suggest, there will be intense competition among candidates and parties in the coming months to define the post-impeachment environment to their advantage.

"Bill Clinton's departure from office in 2001 will be greeted by a palpable sigh of relief," said Ross Baker, a professor of political science at Rutgers University. "This has been a white-knuckle presidency. The country's been put on the most challenging roller coaster. I think people are disengaged from going through those scary gyrations any more. It will influence the kind of person we choose in 2000."

Virtually every candidate contemplating a presidential campaign will now look in the mirror and see a possible answer for what the country wants after President Clinton.

Vice President Al Gore will see an Eagle Scout — a candidate both loyal and pure. Elizabeth Hanford Dole will see her gender as the perfect antidote to

the locker-room antics of the Clinton White House. Governor George Bush of Texas will see an admittedly imperfect man who cleaned up his act and who governs in a bipartisan spirit. Steve Forbes will see a Washington outsider.

In the first hours after the Senate trial ended, strategists shaping battle plans for the presidential election in 2000 were cautious in their assessments of how the process will affect the campaign. But many of these strategists said that impeachment will shadow the candidates and the parties throughout the next 21 months, and there were some broad areas of agreement of where it would be felt most.

• Character, they said, will loom as a larger issue in the campaign of 2000 than it has since the post-Watergate election of 1976. But they said voters may be more tolerant of human frailty now.

• Public revulsion toward the inside-the-Beltway spectacle of the past year should enhance the appeal of candidates from outside Washington. Distrust with partisanship could reward

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AGENDA

Iraq Warns Arabs Over U.S. Flights

BAGHDAD (Reuters) — Iraq told Kuwait and Saudi Arabia on Sunday to stop letting U.S. and British military aircraft use their bases to patrol the no-fly zone in southern Iraq and threatened to retaliate if they failed to do so.

"You are now involved in an aggressive war that the peoples of Saudi Arabia and Kuwait have no interest in, but America and Zionism do," said a statement issued after a meeting of top Iraqi officials led by President Saddam Hussein.

"We are able to target sources and means of aggression, and from anywhere it is launched," the statement said.

Arms accord reported. Page 4.

U.S. Pilots Return After Heavy Fine

American Airlines flight cancellations were down to a quarter of the daily schedule Sunday as more pilots ended a protest following a \$10 million fine from a U.S. federal judge for ignoring a back-to-work order.

American said 537 flights were grounded out of a schedule of 2,250. This was down from daily peaks of more than 1,000 cancellations during the week that left nearly half a million passengers stranded or delayed ahead of a busy holiday weekend. But it will take time to get all flights going again. Page 2.

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The Internet www.iht.com

Impeachment Aftershocks / What Happens Now?**Politicians Fear a New Wave of Relentless Digging Into Private Lives**By Richard L. Berke
New York Times Service

WASHINGTON — The aftershocks of the impeachment of President Bill Clinton are already being felt by politicians, who fear that America is entering an era in which their private lives will draw more intense scrutiny resulting in more embarrassing disclosures than ever before.

Dozens of candidates and strategists at the local, state and national levels have expressed concern that the political climate wrought by the White House scandal has set the tone for a sullied discourse in the presidential and congressional elections next year. Already, there are examples of information that was once considered private potentially being injected into campaigns:

• Three possible Republican presidential candidates — former Vice President Dan Quayle, former Governor Lamar Alexander of Tennessee and Governor George Bush of Texas — have felt obliged to declare publicly that they

have been faithful to their wives.

• Influential conservatives have vowed to raise, and keep alive, questions about candidates' private lives. William Bennett, the conservative author and former education secretary, is traveling the nation warning Republican presidential prospects, "If adultery is part of your baggage, forget it." And the Reverend Louis Sheldon, whose Traditional Values Coalition claims a membership of 40,000 evangelical churches, said he would insist that presidential candidates answer his questions about their sexual pasts.

• Several politicians said what they viewed as an intensified intrusion into their private lives had led them to think twice about running in the first place. Mr. Bush, for one, said worries about charges that might be made up about his past, accurate or not, and the repercussions for his family were weighing heavily on him as he decided whether to seek the Republican nomination. Steve Forbes, the millionaire publisher who sought the presidency in 1996 and has

said he will again in 2000, said: "There's going to be a lot of muck thrown at those who run. The president has defined the standard downward."

• It has become standard fare for reporters, even from some major news organizations, to unapologetically quiz candidates about their sexual histories and possible use of drugs. In a recent interview, Bernard Shaw of CNN told Senator John McCain of Arizona, who is seeking the Republican presidential nomination, "You had an affair during your first marriage," and then asked, "Should a politician's private acts be part of public discourse?" Mr. McCain's response: "Let me say that I am responsible for the breakup of my first marriage. I will not discuss or talk about that any more than that."

• Candidates are already plotting how to contend with aggressive inquiries into their private lives. An outside adviser to Mr. Bush said he had suggested that the governor hire an opposition research team to ferret out any negative information about him that opponents could

find. But Mr. Bush, in an interview, said such a move was unnecessary because he had already hired such a researcher during his two runs for governor. "We looked into the record that people would look into," he said.

• At the local level, politicians are undecided about making an issue of elected officials' private lives. In Utah, the state attorney general, a Democrat, recently sent affidavits to the state's five Republican members of Congress asking them to attest under oath that they had been faithful to their spouses. The lawmakers refused to sign the pledge but publicly declared their marital fidelity.

In interviews across the country, politicians, strategists and academics denounced what they described as excessive attention to candidates' personal baggage and said it would discourage prospective candidates from running for office, further alienate the public from politics and make it even more difficult for candidates to discuss substantive issues.

"The political culture has changed,

and so has the news culture," said Representative David Obey, Democrat of Wisconsin. "What is now dominating is winning at all costs. There seem to be no real constraints on people's willingness to hurt somebody else. That goes for politicians and the press alike."

Dick Cheney, former defense secretary and House member from Wyoming, who decided not to seek the Republican presidential nomination four years ago, citing the toll it would take on his family, said campaigning now seemed even less appealing.

"There's a total loss of privacy that goes with being a candidate for office these days," Mr. Cheney said. "It's hard to watch what's happened with Clinton and not think it's gotten worse."

Several politicians who are seeking the White House said they were wrestling with how to react to questions about their own private behavior and that of their opponents. Politicians said they were not sure whether voters would de-

mand of their candidates a more upstanding private life than Mr. Clinton has had or would be so weary of the whole scandal culture that they would forgive politicians' transgressions, as they seem to have done with Mr. Clinton.

Some strategists warn, in fact, that candidates who declare their personal "purity" could turn off voters by appearing too moralistic.

In the campaign for the elections held last November, Gary Mueller, a Democrat who was challenging Representative Jerry Weller, Republican of Illinois, signed an "affidavit of integrity" in which he swore he had never had an extramarital affair, abused his wife, had any homosexual encounters, experimented with illegal drugs or been charged with a felony.

But Mr. Mueller, who lost the election, was attacked from several quarters, including an editorial in The Chicago Sun-Times that described him as a "sanctimonious political opportunist trying to impose a sexual code of conduct on politics."

Acrimony or Accord?**Idealism in Public Belies a Political Gulf**By David E. Rosenbaum
New York Times Service

WASHINGTON — The official word from President Bill Clinton and congressional leaders in the aftermath of the impeachment vote was that the time had come to bury the hatchet and work together on important policy issues.

But out of camera range, many in the White House and the Capitol said Friday the bad blood was so pervasive, the ideological divisions so vast, and the political interests so disparate that they doubted productive bridges could be built between Mr. Clinton and the Republican Congress.

Republicans were stung by the report last week that Mr. Clinton planned to seek political retribution in the next elections against those who impeached him and tried to drive him from office.

"That doesn't sound like reconciliation and progress to me," said Senator Trent Lott of Mississippi, the Republican leader. "That sounds like revenge and politics. Then he says, 'You can trust me on Social Security.' Yeah! Uh-huh!"

A top Republican legislative strategist, speaking on the condition of anonymity, said: "I don't think the president has any interest in achieving solutions in the next two years."

"Elected Gore president and a Democratic House would be vindication for him, and that's what he will focus on," the strategist added, referring to Vice President Al Gore.

A White House official who also insisted on anonymity said that while some of the president's advisers thought he should seek compromises this year with Republicans on divisive issues like Social Security retirement benefits, Medicare health care for the elderly, taxes and education, many other advisers were arguing that a better course would be to wait until after the next election, when they expect a stronger position.

"Bipartisan cooperation isn't the reflex response right now," the official said.

But for all the naysayers, another school of thought holds that it is to the advantage of both the president and the Republicans to strike compromises on the big issues so that both can rise above impeachment.

"The president's been badly damaged by this," said Representative Peter King, Republican of New York. "He has to be aware of that. We have to realize that we were badly hurt by impeachment and we have to show we're a governing party."

Paul Begala, the president's counselor, offered a similar view. Asked whether Mr. Clinton's efforts to promote a Democratic sweep in the 2000 elections would pose a risk to legislative compromise, he replied: "That's a false choice. Getting things done and prospering politically go hand in hand."

The political atmosphere in Congress may have been improved by the Republicans' election this year of Dennis Hastert of Illinois as speaker of the

House and by a newfound camaraderie in the Senate. "At this point, we need to show we're not something to be scared of," Mr. King said, and Mr. Hastert, a low-key former high school wrestling coach, seems to fit that bill.

On CNN last week, in one of the first interviews he has granted since he became speaker, Mr. Hastert contrasted himself with his bombastic predecessor, Newt Gingrich: "Newt was a visionary," Mr. Hastert said. "He was articulate. He had his own ideas, and I mean he was on TV a lot. My job is to make sure that we can put the right people in the spotlight to get the job done."

"I guess that's part of going back to my old coaching career, where we made stars out of a lot of people, but I was never in the spotlight much myself. That's how I see this job."

On the other side of the Capitol, senators from both parties said that the long hours they spent together during the impeachment trial could have positive effects. "This may actually help us work together," Mr. Lott said. "What has done is given us a renewed understanding of each other's problems and viewpoints. We have gotten to know each other better as people."

Beyond the question of whether Clinton and the Republicans in Congress overcome their bad feelings from impeachment and find legislative alliances is the matter of whether the Republicans can present a united front. In the House



The new speaker of the House of Representatives, Dennis Hastert, left, might lead to a more congenial political atmosphere after the impeachment trial. President Bill Clinton, center, has publicly pledged to cooperate with his Republican rivals. His remarks in private last week, however, have left many Republicans, including the Senate majority leader, Trent Lott, right, suspicious that the president is focused only on revenge. Both sides acknowledge that bitterness and deep ideological divisions remain.

and the Senate, if the Democrats hold the party line and only five or six Republicans break ranks, the Democrats will prevail.

The first test of this will come in the next few weeks when lawmakers try to draft a budget blueprint to guide the tax and spending legislation for the rest of the year. Last year, the House and Senate were at odds over taxes that for the first time in 25 years, no budget plan was adopted.

Tax policy, of course, is the most fundamental dispute between Mr. Clinton and the Republicans. The president wants a steep increase in federal cigarette tax that would more than offset a grab bag of small tax cuts he has proposed to help taxpayers meet specific

expenses, like nursing-home bills and child care. Almost all Republicans want large tax cuts, but there is no agreement on how to apportion them.

One faction, led by Representative John Kasich, chairman of the House Budget Committee, favors an immediate 10 percent reduction in income-tax rates.

Another faction, headed by Senator Pete Domenici of New Mexico, chairman of the Budget Committee, would put the tax cuts into effect gradually as the projected budget surplus grew.

In addition, a band of moderate House Republicans, led by Nancy Johnson of Connecticut, favors less drastic reductions, and there may be enough support for this plan to deny Mr. Kasich a majority in the House.

The tax issue is crucial to Republicans. Mr. Clinton has co-opted many traditionally Republican issues like balanced budgets, crime control, welfare reform and additional military spending. Tax policy is one of the few remaining areas where they think they can win popular support.

The other big issue of the year is Social Security. If the president and Congress can reach an accord, it would certainly be the biggest legislative accomplishment since the tax code was rewritten in 1986 and possibly the most important one since the days of the Great Society more than 30 years ago.

Representative Bill Archer, the chairman of the House Ways and Means Committee, said he thought the time was ripe this year. "I think the president really wants to save Social Security before he leaves," said Mr. Archer, a Texas Republican who plans to retire at the end of next year. "I really want to save Social Security before I leave, too, and I think we can do it."

But neither the president nor Mr. Archer has expressed willingness to compromise, and the two sides are far apart. Republicans want to turn Social Security partly into a private program in which workers take some of the money they now pay in taxes and invest it in their own accounts in the financial markets. Democrats fear that could result in unsophisticated workers losing a big part of their retirement savings to bear markets or unscrupulous sales pitches.

Fined \$10 Million, American's Pilots Ease Off

Compiled by Our Staff From Dispatches

DALLAS — American Airlines flight cancellations were down to a quarter of the daily schedule Sunday as more pilots ended a protest following a \$10 million fine from a federal judge for ignoring a back-to-work order.

American, the world's second-largest airline in terms of annual passenger distances traveled, said 537 flights were grounded out of a schedule of 2,250.

This was down from daily peaks of more than 1,000 cancellations during the week that left nearly half a million passengers stranded or delayed ahead of a busy holiday weekend. But it would take time to get all flights going again.

"It will take a couple of days for American to get all of its flights reinstated," said Sojoja Whittemore, an airline spokeswoman.

A federal judge in Dallas first declared the job action illegal Wednesday and followed with a contempt ruling against the Allied Pilots Association on Saturday, a week after pilots began the action by calling in sick for not getting them back into the cockpit fast enough.

American said 1,147 of its 9,200 pilots were still on the sick rolls as of early Sunday, down several hundred from the day before and a drop from peaks over 2,400 on Thursday and Friday.

On Saturday, it canceled more than one-third of its 2,500 scheduled flights.

Pilots started calling in sick and refusing

overtime Feb. 6 in a campaign orchestrated by the union to protest the operation of a smaller

West Coast airline with pilots who are paid only half what their counterparts at American earn.

The union says the fact that American, which bought Reno Air in December, has kept Reno's 300 pilots at lower pay rather than promoting them immediately to American terms is a contract violation.

Many pilots have said that they were worried that if the union did not make a stand now, it would set a dangerous precedent if American acquired an even larger airline in the future.

American, the flagship airline of Port Worth-based AMR Corp., said it was moving as quickly as possible to integrate the Reno pilots on American terms but that this must take place gradually over the next 18 months.

Judge Joe Kendall of U.S. District Court, asked by American to halt the job action, ruled the argument was a minor dispute and did not justify a job action that snarled major airports around the country before the Presidents Day holiday weekend.

"This illegal sickout by the union has cost untold millions of dollars in damages to hundreds of thousands of passengers and businesses in this country," Judge Kendall said in his contempt ruling against the union.

He levied a fine of \$10 million, or about a quarter of the union's net assets, but said this was just a preliminary decision and might be raised after a hearing Wednesday to determine how much American has lost in the dispute.

American estimates that the job action has

cost it more than \$40 million.

In his ruling, Judge Kendall said, "Unfortunately, the radical element that appears to be in control of the Allied Pilots Association seems determined to fly American Airlines into the side of the mountain, taking themselves, the company, their co-workers and their customers with them."

Judge Kendall also found the union's president, Richard LaVoy, and its vice president, Brian Mayhew, to be in contempt, stating that they had acted only half-heartedly in telling pilots to end their action following his Wednesday order. He directed Mr. LaVoy to deposit \$10,000 with the court and Mr. Mayhew \$5,000.

After the judge's ruling Saturday, several union leaders emphasized that they were emphatically telling pilots to return to work. But other union members said the rank and file was debating how to respond, with some hard-liners suggesting that they continue their protest.

"There is a split right now," said one pilot on the sick list, who spoke only on the condition that he not be identified. "Some hard-liners are saying stay the course. Others are saying it's time to go back to work to support the union but fight the court in other ways."

Several pilots said they might support a fall-back strategy, a refusal to work overtime — a move that would be less disruptive than calling in sick, but would still force American to cancel some scheduled flights.

(Reuters, NYT)

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(Reuters, NYT)

TRAVEL UPDATE**N.Y. Airports to Ration Own Traffic**

NEW YORK (NYT) — For 30 years, the Federal Aviation Administration has rationed landing and takeoff slots to keep La Guardia and Kennedy Airports from being overwhelmed by airplanes. But the Transportation Department, its parent agency, has proposed phasing out the limits over five years.

Without them, and without new gates or runways, how will those airports avoid chaos? The same way, the officials say, as the airports in Las Vegas, Long Beach, California; Pontiac, Michigan, and Memphis. All have airlines that have elected on their own to limit traffic to no more than the runways can handle, officials say.

French authorities scaled back a ban on off-piste skiing and snowboarding in the Haute Savoie region following protests from resort operators Sunday. The ban, after 19 deaths in a week in the French Alps, is limited to five specific mountain passes.

This Week's Holidays

Banking and government offices may be closed or services curtailed in the following countries or political entities this week because of national and religious holidays:

MONDAY: Aruba, Bolivia, Brazil, Ecuador, Hong Kong, Malaysia, Mauritius, Panama, South Korea, Taiwan, United States, Uruguay, Venezuela, Vietnam, Virgin Islands.

TUESDAY: Andorra, Bolivia, Brazil, China, Ecuador, Hong Kong, Liechtenstein, Lithuania, Malaysia, Mauritius, Panama, Singapore, South Korea, Taiwan, Vietnam.

WEDNESDAY: Cayman Islands, China, Hong Kong, Jamaica, Malaysia, Singapore, Thailand.

THURSDAY: China, Cambodia, Hong Kong, Kuwait, Taiwan, Vietnam.

FRIDAY: Bahrain, Bangladesh, China, Kuwait, Oman, Saudi Arabia, Turkey.

INTERNATIONAL

2 Parties Try To Put Aside Acrimony of Clinton Case

By Brian Knowlton
International Herald Tribune

WASHINGTON — The White House, two days after the Senate acquitted President Bill Clinton, is ready to "put aside this matter" and move beyond impeachment, but senators of both parties warned Sunday that any attempt to exact revenge on Mr. Clinton's Republicans foes would ruin any prospect for bipartisan cooperation.

Mr. Clinton's acquittal Friday cleared away the most immediate obstacle to the legislative progress, ending a bitterly damaging episode. Spokesmen for both sides offered each other olive branches Sunday. The truce, however, appeared tentative and conditional.

The White House, appearing chastened by the 13-month ordeal, sought to emphasize the prospects for cooperation. "The public expects us both to work together," John Podesta, the White House chief of staff, said on ABC.

He said Mr. Clinton had spoken Saturday to the Republican leaders of Congress about Kosovo and hoped to meet with them soon to discuss areas for legislative cooperation.

"The American people will expect us to put aside this matter now that it's over and to have a constructive dialogue," he said.

Senator Don Nickles, the assistant Republican leader, echoed a comment Friday by the majority leader, Senator Trent Lott of Mississippi, that Mr. Clinton could not be trusted. He insisted, however, that Republicans were ready to move ahead.

"We need to work together," he said on ABC. "We must work together, and we will."

Another ranking Republican, Senator Mitch McConnell of Kentucky, agreed that, "We don't trust him a lot," but added, "He's the president, we're going to my work with him."

"It's time to move on," said Senator John McCain of Arizona. "My colleagues on both sides of the aisle share that view."

Senators of both parties pointedly warned the White House against targeting Mr. Clinton's Republican detractors for electoral defeat. The New York Times had quoted White House aides as saying that Mr. Clinton would like to do so.

"We just can't work well together if you know that they're mounting some kind of specific vengeance-minded program," Mr. McCain said.

An influential senior Democrat, Senator Daniel Patrick Moynihan of New York, was equally blunt. Asked whether Mr. Clinton could avoid gloating, the senator replied: "He has opportunities, but he will squander them if there is any note of vengeance." In that case, he added, Mr. Clinton could "forget about a legacy."

At least two Republicans said that they hoped that Kenneth Starr, the independent counsel, would not seek Mr. Clinton's criminal indictment. "Indicting the president would not be a great idea," Mr. McConnell said. The post-Watergate law that created the office of the independent counsel, he said, should be "ended, or amended" when it comes up for renewal in June.

Representative Henry Hyde of Illinois, who led the House prosecution team during the Senate trial, also opposed indictment. "I would close that book," he said in an ABC interview. "I think indicting the president would not be appropriate."

Mr. Moynihan agreed, saying that the independent counsel statute had been "a liberal disaster."

Mr. Podesta hinted strongly that Mr. Clinton, who signed the bill last time it came up, was now prone to let it die. "It's virtually hopeless to try to fix it without some major, major revisions," Mr. Podesta said.

Meanwhile, neither Mr. Podesta nor another White House spokesperson, Ann Lewis, would say whether Hillary Rodham Clinton had decided to seek a New York senatorial seat, but neither denied it. Both said she would win if she ran and would make "a great senator."

Mr. Podesta was asked about Mr. Clinton's reaction when he phoned the president Friday with the results of the Senate votes: "He didn't really react, he didn't react," Mr. Podesta said. There was "some relief" but mainly a readiness to return to normal business.

Fatal Police Fire in Russia Focuses Fury on Gangs

By Daniel Williams
Washington Post Service

SAMARA, Russia — In a nation where few major crimes are solved, what people believe to have happened after a violent incident frequently tells more about life than the official versions.

A case in point is the reaction to an explosive fire Wednesday, that destroyed a regional police headquarters in this Volga city, killing at least 60 people, according to officials, and wiping out the city's criminal archives.

Officials said that arson was a possibility but that an accident was as likely a cause. No one seems to believe that. Many people in Samara think arson was the cause. Their response is a testament to the grip of crime.

"How can people be convinced otherwise?" asked Yelena Pustotina, an expert on gang crime. "They see criminals everywhere. They see that none are punished. They don't believe the police. Why should they? The authorities are always saying they are cracking down on crime, and nothing has come of it."

Israelis Clashing in a Culture War Over Identity of the State

By Lee Hockstader
Washington Post Service

JERUSALEM — Rabbi Menachem Porush is a field general in the culture war now consuming Israel. His telephone rings incessantly, aides seek his counsel every few minutes, and his thick Yiddish accent obscures much of what he says in English. Still, what does come through is clear enough: Where does Israel's secular Supreme Court get off telling Orthodox Jews how to run their lives?

"They're acting like a dictator," said Rabbi Porush, 82, deadly serious behind his wispy white beard and thick glasses. "It's a very dangerous situation."

With a few other senior rabbis, Rabbi Porush, head of the Orthodox Association of Israel movement, organized the massive demonstration in Jerusalem on Sunday. The rally was called to protest what Israel's most observant Jews regard as the tyranny of the country's highest courts.

The courts have lately handed down a series of rulings sharply limiting the privileges, powers and perks of the Orthodox, some of them enshrined

since the infancy of the Jewish state a half-century ago. In so doing, they have stepped up a long-simmering culture war along one of the main fault lines of Israeli society — between a secular Jewish majority on the one side and a rigorously Orthodox minority on the other. The divide is so deep, and increasingly so bitter, that Prime Minister Benjamin Netanyahu and others have warned that it contains the seeds of a civil war.

The struggle casts a spotlight on the unsettled relations among religion, the state and society, as well as the identity of Israel itself — whether it is principally a secular democracy populated largely by Jews and governed by civil law or a Jewish state in which Halakha, or Jewish law, is deemed sacrosanct in matters pertaining to the observant.

The current conflict has focused on the Supreme Court and its chief justice, Aharon Barak. For secular Jews here, which includes virtually all the mainstream press and much of the political establishment, the court is a touchstone of Israeli democracy, respected as the standard-bearer of law and justice. For them, an attack on the court smacks of theocracy and is tantamount to an assault on Israeli civil society, law and order and

the legitimacy of the state itself. The most religious Jews amount to just 10 percent of the Israeli population, but to them the court is a bastion of godlessness whose rulings have trespassed into the religious domain.

The rabbis have been particularly incensed by recent rulings ending a blanket exemption from army service for 28,000 rigorously Orthodox teenagers and permitting stores run by collective farms to operate on Sabbath, the Jewish sabbath. The Supreme Court justices are "evil, stubborn and rebellious," said Rabbi Ovadia Yosef, the spiritual leader of Shas, the largest religious political party.

From his headquarters, Rabbi Porush has issued what sounds like a call for holy war, criticizing the court and threatening an uprising if it persisted with "anti-Semitic decisions."

His movement, Agudat Israel, or the Association of Israel, has printed hundreds of thousands of black-and-white posters demanding a halt to "the destruction of religion."

Those words, and similar ones from other leading rabbis, sparked an uproar in a society that remains similar in its attacks directed at Prime Minister Yitzhak Rabin shortly before he was assassinated in 1995. Prosecutors said they would

consider whether to bring criminal charges of incitement against the rabbis.

The rabbis are also nervously awaiting a hearing before the court on a case that could break the Orthodox monopoly governing conversions to Judaism in Israel. The hearing will review a district court ruling in December ordering the Israeli government to recognize conversions to Judaism performed by Reform and Conservative rabbis.

To the Orthodox, Reform and Conservative rabbis practice a faith that is not Judaism, so the notion that they could determine who is a Jew is deeply disturbing. "We accept the court as long as it deals with relations between man and man," Rabbi Porush said. "But when it deals with relations between man and God, that's different."

To some, the Israeli media and courts are the last remaining liberal bastions among leading institutions that have become more conservative and integrated with religion. "They feel they built the country and they own it, and that's a lot of the impetus behind today's culture conflict," said Jonathan Rosenblum, an Orthodox writer.

But secular voices are urging stiff resistance in the face of what they consider religious coercion.

ISRAEL: Factions Stage Protests

Continued from Page 1

erion of religious Jews." For secular Israelis, who governed the country with little competition from their religious brethren until the late 1970s, the rise of Orthodox political power and budget subsidies has been cause for growing alarm.

Both have increased in the two-and-a-half years since Prime Minister Benjamin Netanyahu came to power, analysts say.

What makes them particularly indignant is that Orthodox teenagers are exempted from the three years of army service required of nearly all other Israeli men. That and the state subsidies that allow many Orthodox not to work for a living are galling to secular Israelis.

"I've had enough," said Susan Maltz, 55, who joined a busload of protesters who came to the secular "counterdemonstration" from near Tel Aviv. "This society is simply crumbling apart. The religious feel they know better than us."

"Basically, they don't work and feel they should be paid for because they're praying on our behalf. It only exists here because politicians give in to their cause because they want them in their coalitions."

The dispute is political dynamite, and all three major candidates for prime minister in the May 17 elections — Mr. Netanyahu; the Labor Party leader Ehud Barak and Yitzhak Mordechai of the emerging centrist party — stayed away from both rallies.

Senators of both parties pointedly warned the White House against targeting Mr. Clinton's Republican detractors for electoral defeat. The New York Times had quoted White House aides as saying that Mr. Clinton would like to do so.

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History shows how quickly the political climate can change in a presidential campaign cycle. The deep recession of 1982 that produced Democratic midterm election victories gave way to "morning in America" in 1984 that re-elected Ronald Reagan in a landslide. National pride over the Gulf War victory in 1991 gave way to national anxiety over the economy in 1992 and brought Mr. Clinton to office.

Despite an extraordinary amount of activity by prospective presidential can-



Ultra-Orthodox Jews marching through a construction site Sunday during a protest against what they claim is religious persecution by Israel's Supreme Court. An estimated 250,000 joined the march.

CAMPAIGN: Impeachment Arguments to Get a Second Wind Until the 2000 Elections

Continued from Page 1

those candidates who avoid negative attacks and focus on the future.

• Impeachment will energize ideological activists in both parties, much the same way abortion has for many years, and will intensify competition for control of the House. Republicans face a difficult struggle to maintain their narrow majority in that chamber.

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Despite an extraordinary amount of activity by prospective presidential can-

candidates in the past year, Campaign 2000 has not registered at all with the public. That is about to change. And despite the American people's professed weariness with the examination of politicians' personal lives, many strategists anticipate that the hangover from impeachment will be even more scrutiny than previously.

Unfortunately this probably sets the stage for the most intensive, intrusive review of candidates' private lives that we've ever seen," said Tom Rath, an adviser to Lamar Alexander, a former Tennessee governor. "We're going to know a lot more about what these guys did in high school than any of us want to know."

A Republican pollster, Whit Ayres, said a recent survey he did among Iowa Republicans showed that character was the most important factor likely to influence their vote for president, while impeachment was well down the list.

But Mr. Ayres cautioned that voters'

definition of character may be more complicated than in the past.

Governor Bush (who said he has not made a decision about running) and Senator John McCain, Republican of Arizona, may be among the first to test the new character boundaries for candidates. Both have admitted to mistakes — Mr. Bush to heavy drinking in his 20s and 30s, Mr. McCain to marital infidelity that broke up his first marriage — but have refused to talk in detail about their private lives.

Still, there appears to be no escaping intrusive questions. During a recent interview with a television station in Manchester, New Hampshire, Mr. Bush was asked: "Have you ever used drugs? Marijuana? Cocaine?"

"I'm not going to talk about what I did as a child," he replied. "It is irrelevant what I did 20 to 30 years ago. What's relevant is that I have learned from any mistakes I had."

Many Republicans argue that, despite the public's desire not to see President Clinton removed from office, there will be a backlash against his presidency that could hurt Mr. Gore in 2000 — even though the vice president has not been stung by scandal in his personal life.

Elizabeth Dole, speaking in New Hampshire last week, said Americans deserve "a government worthy of its people," a line reminiscent of the theme Jimmy Carter used during his 1976 campaign after Watergate when he called for a government "as good as the people."

Mr. Quayle plans to be even more direct. Kyle McMurphy, chairman of Mr. Quayle's campaign, said the former vice president would make values like "honor, integrity and responsibility" as central to the presidential campaign debate as Social Security and education. Mr. Quayle also plans to criticize Mr. Gore's decision to stand by President Clinton throughout the impeachment process.

REACTION: Much Relief Abroad

Continued from Page 1

Netanyahu in May elections, wrote to Mr. Clinton, applauding the Senate vote and saying he believed it would enable the president to concentrate on other matters, such as reviving the Middle East peace process.

Across Africa, the scandal managed to intrude into people's lives even though many were facing more serious matters, such as a simmering war between Eritrea and Ethiopia.

In the Eritrean capital, Asmara, people expressed amazement that a political crisis that grew out of private acts could obsess the United States for more than a year.

"It was in everybody's face," said Sarah Berket, 20. "Believe me, people are tired of hearing about it."

Others said they hoped that Mr. Clinton would be able to focus on more pressing issues, such as border skirmishes on their continent.

"The presidency is much more than what Mr. Clinton has gone through," said Solomon Abraha, a travel agent.

European governments refrained from public comment on Mr. Clinton's acquittal.

"As we have said all along, this has been a matter for the American Senate," said a spokesman for Prime Minister Tony Blair of Britain.

Newspapers felt no such constraints.

"Thank goodness it is all over," observed the lead editorial in The Independent.

It went on to describe Mr. Clinton as "a shamed president" but expressed admiration for his Houdini-like ability to survive what once seemed like an impossible plight.

Much of the political coverage of Mr. Clinton's impeachment trial split along partisan lines in Britain, and the denouement in the Senate was no different.

A headline in The Mirror lambasted the "Randy Sinner's Cheap Lies," and an accompanying column concluded that "Bill Clinton emerges from this sorry saga with zero credibility."

Other British newspapers suggested that Mr. Clinton's reputation had suffered such serious damage that it could hamper his ability to conduct foreign policy in his last two years in office.

In Germany, newspaper editorials savored the irony that the biggest losers in the scandal involving Mr. Clinton's relationship with Monica Lewinsky might turn out to be the president's most zealous political enemies.

The conservative daily Die Welt observed that the Republicans had inflicted a humiliating moral defeat on themselves by persisting in pushing the impeachment process despite an overwhelming desire by the American public to drop the case.

"The highest price will be paid in any case by the Republicans," said the lead editorial in Die Tagespiegel.

"Those who broke ranks will be deemed traitors to the party," the editorial read, "and those who voted guilty will be seen as traitors to the American people."

KOSOVO: Serbs and Rebels Meet For First Time

Continued from Page 1

oslovakia, she spoke of childhood time in Belgrade, the Serbian capital, and even sang them a Serbian lullaby her father had sung to her.

NATO has threatened air strikes against Serbian military positions if a deal is not struck at Rambouillet, and Mrs. Albright stressed that the threat "remains real."

■ Clinton Promises to Send Troops

James Bennet of The New York Times reported from Washington:

President Clinton announced over the weekend that he would send nearly 4,000 troops to Kosovo to defend the "national interest" as part of a NATO peacekeeping force, provided the ethnic Albanians and Serbs strike a peace deal.

"America has a national interest in achieving this peace," Mr. Clinton said. "If the conflict persists, there likely will be a tremendous loss of life and a massive refugee crisis in the middle of Europe."

The parties have made little progress in their

talks. But in the event of an agreement, the Clinton administration and its European allies want to have a

INTERNATIONAL

Ethiopia Blames a Mosquito Bite for the War With EritreaBy Karl Vick
Washington Post Service

MASSAWA, Eritrea — In Ethiopia's capital, the inscrutable war it is waging with Eritrea is occasionally explained in a single sarcastic sentence: "The mosquito is back."

That refers to the insect that bit the Eritrean president, Isaias Afwerki, early in 1994, infecting him with malaria that almost killed him. It was a particularly lethal cerebral strain and some in Ethiopia seriously propose that a lingering aftereffect provides the answer to the abiding question: Why are these two countries at war?

"My understanding is that this is a border dispute," Mr. Issias said in an interview. Indeed, hundreds died last week in fighting on the frontier between the Horn of Africa neighbors that were friendly until recently. Thousands more wait in trenches on either side of the most intensely disputed sections of the 950-kilometer (600-mile) strip.

But what began last May as a skirmish over maps and exploded into war in June shows signs of becoming something more. Mr. Issias said Ethiopia maintains that land is its only priority, but Mr. Issias said that Ethiopia is fighting because it would like to see a different government in Eritrea, the tiny country that until 1993 was an Ethiopian province.

That claim was denied again over the weekend.

Mr. Issias is "trying to mobilize the Eritrean people behind him, because the people of Eritrea are not happy about the border issue," said Yemane Kidane, a senior official in the Ethiopian Foreign Ministry. "We've made it crystal clear that we are concerned only with our sovereignty."

"Any change in government, Mr. Yemane added, "is the responsibility of the Eritrean people."

The Eritrean people seem disinclined to take up the gauntlet.

"We believe in Isaias, as a god," said Hassan Salih, at a café in this port city.

Mr. Issias is the George Washington of Eritrea," said a diplomat stationed in Asmara, the Eritrean capital. "There is no challenge to this man. He is the one whom most people consider to have brought them their freedom and sovereignty. He's responsible for the

country, as far as they're concerned."

Mr. Issias, 53, who helped rebels win Eritrea's independence from Ethiopia in 1991, smiled at the mosquito joke in an interview Friday but expressed dismay at the personalization of the conflict.

Eritrea, he said, "has changed its position from a border conflict to a campaign to topple the government of Ethiopia."

Mr. Issias said the "big plan" that had floated freely in the Ethiopian media also had been confirmed by Ethiopian junior officers captured in fighting early last week. Mr. Issias said he interviewed the officers personally.

"It would be insane to think they could topple a government here," he said. "Do they believe this fairy tale? Is it an appeal to the Ethiopian population? Is it an appeal to the Eritrean population here and abroad?"

Eritrea came to the current conflict with a record of disputes with other neighbors; it currently is on civil terms only with Yemen, after nearly going to war over a border there, too. Moreover, to a diplomatic community that knows countries mostly by their leaders, Mr. Issias, though smooth and articulate, has a reputation for brutal directness.

He rebuked the United Nations, which ignored the 30-year struggle for Eritrean independence, and made clear his disdain for the historically feckless Organization of African Unity. International aid organizations operating in Eritrea were informed that the country would be happy to accept their money but had no use for the foreign experts who usually come with it.

In private, Mr. Issias can be even stronger. During months of efforts to find a peaceful way out of the border crisis, he met frequently with negotiators shuttling between Asmara and Addis Ababa, Ethiopia's capital. Some walked away stunned.

"He just says things and does things that are just way out there, on almost a daily basis," said a person involved in the negotiations, who requested anonymity. "He enjoys being the cootman. He loves seeing the reaction of people when he says something that's outrageous."

"I think a lot of people think he's irrational and out of control, but I see it from his perspective."

That perspective is framed by the



A wounded Ethiopian soldier joining a lineup of prisoners Sunday at a camp near Asmara, the Eritrean capital.

points laid out by Susan Rice, U.S. assistant secretary of state for African affairs, last March. The framework, now embodied in a resolution by the Organization of African Unity, calls for technical demarcation of the border, but only after Eritrea pulls its troops out of the disputed regions where Mr. Issias ordered them in May and where fierce fighting broke out Saturday.

In short, the peace proposal picks up the current controversy at its international flash point, while ignoring earlier border incidents and provocations that Eritrean officials said prompted Mr. Issias to military action.

But Mr. Issias has shouldered no domestic blame for the border conflict, interviews with Eritreans suggest. In Asmara he is prized as a familiar if remote figure, glimpsed dining out with his wife

or, less often, sharing a drink with other former fighters in the grass-roofed liberation struggle that created a nation of striking social cohesion.

"There is no cult," said a longtime foreign resident, noting that, unlike many African nations, Eritrea is not awash in portraits of its president on its currency or in its places of business. "It's more than that he is first among equals."

Arriving in Massawa to speak at a festival, he climbs out of a vehicle wearing sandals and a brown plaid shirt, acknowledges the crowd with one hand and scratches his nose with the other.

The informality developed over decades in the mountains and bush with the Eritrean People's Liberation Front, which Mr. Issias joined in 1966. He was its leader in 1991 when it finally defeated the Ethiopian Army led by Mengistu Haile Mariam. By then the Eritrean insurgents had formed an alliance with another rebel army, led by Meles Zenawi, now the prime minister of Ethiopia and Mr. Issias's enemy in the border fighting.

Mr. Issias said the lessons of the liberation war — when the vastly outnumbered Eritreans defeated Africa's largest and best-equipped army — were apparently lost on the Ethiopians. In the heavy fighting that broke out Feb. 6, he

said Ethiopian forces relied on "a shopping list" of advanced military hardware, including T-62 tanks and late-model anti-tank missiles.

Eritrean forces held their position, he said, a claim generally supported by diplomats here.

"It was a mistake to think any toy, any gadget you could buy on the market, can resolve any battle," Mr. Issias said.

Asked why, in that case, Eritrea recently spent millions buying MiG-23 fighter jets, Mr. Issias insisted that the planes, which can reach the Ethiopian capital, are intended to deter air attacks on Eritrea. He vowed that Eritrea would not initiate an offensive but also offered a lesson: "One thing I've learned in the last eight months is that might makes right."

■ Fighting Begins on a New Front

Ethiopia said it had inflicted heavy casualties on Eritrea in fresh fighting Sunday on a new front southwest of Asmara, Eritrea's strategic Red Sea port, Reuters reported from Addis Ababa.

Eritrea said it had shot down an Ethiopian Mi-24 helicopter gunship over the front line, killing the crew. Ethiopia later acknowledged the report.

Both sides blamed the other for starting the fighting Sunday.

Jordan's Spirit of Unity Faces a TrialBy Douglas Jehl
New York Times Service

CAIRO — After the death of King Hussein and the crowning of his son as successor, Jordanians are hoping that the overwhelming solidarity shown in response to their trauma will prove to be more than passing.

In the sadness prompted by the king's death, world leaders and fellow members of the Hashemite family alike have pledged support for King Abdullah II, first at the vast state funeral last Monday and then in the days of mourning that followed.

But what is important now, Jordanians and diplomats in the region say, is that those pledges be made tangible. Jordan is now led by a 37-year-old ruler who has little experience of power, while a heavy debt burden has cast a shadow over a hoped-for economic revival, and tensions in the royal family still have the prospect to become a troublesome distraction.

"King Abdullah is on more solid ground than his father was in 1952," a former Jordanian Cabinet minister said, in a reference to the year that King Hussein took power, at a time of turmoil in the Arab world. "But it's certainly shaky in some respects."

Another former minister offered this assessment when asked about the man who was thrust into his position as next in line to the throne only in the final weeks of his father's life: "He's not incapable. But he needs plenty of counsel and advice, and he's also going to need some outside help."

By nearly every account, where Jordan is most vulnerable is in its economy, already suffering from high unemployment and low growth and facing more than \$8 billion in debt, an amount greater than its gross domestic product.

There had been worries that nervousness over King Hussein's death could set off a crippling run on Jordan's currency, the dinar.

For now, an American promise to speed payments of millions of dollars in economic aid to the kingdom appears to have averted that danger, diplomats in the region said.

But the diplomats say that Jordan, an important stabilizing force in the Middle East, remains in urgent need of relief. That relief could come through the scheduling of hundreds of millions of dollars in debt owed this year to Japan and Europe, or, preferably, through forgiveness, a step embraced by the United States in 1994, when it wiped away \$700 million in Jordanian debt.

Such an arrangement could bring economic benefits, but it might also carry political problems for Jordan, whose population already includes a large Palestinian majority.

If a confederation were forged, Jordanians would become a much smaller minority, which could add to the prospect of internal instability.

In Jordan itself, what many citizens have been watching most intently is a drama unfolding in the royal family, which is still recovering from the shock of King Hussein's decision last month to dismiss his brother, Hassan, as crown prince, and to replace him with Abdullah, King Hussein's eldest son, who became king last Sunday.

It was very much noticed that Prince Hassan did not join King Abdullah on Tuesday in receiving mourners on the day after the state funeral.

The next day, Prince Hassan did stand shoulder-to-shoulder with the new king and he pledged a public letter to his nephew, "I will not hold back love or knowledge or support."

In a separate show of unity, King Hussein's widow, Queen Noor, received female mourners alongside not only Queen Rania, King Abdullah's wife, but also Princess Muna, the new king's British-born mother, whom King Hussein divorced in 1971.

But associates of Prince Hassan say he remains bitter at his removal just two weeks before he would have become king and at a lack of sympathy shown by the Jordanian people, many of whom turned against him after his dismissal.

Responding to comments by Mr. Ararat, the officials said Jordan first wanted to see a Palestinian state established. "We cannot pre-empt the fu-

ture," Information Minister Nasser Joudeh said.

"As for confederation or any other future relation between Jordan and the Palestinians, we say the most important thing at this juncture is that Jordan concentrates, as it has done, on helping and supporting Palestinians to attain their full rights on their national soil, meaning the establishment of their national state," he added.]

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AMERICAN TOPICS**School for New-Tech, On-Line Scoundrels**

Cheating on tests has long been a low-technology matter: the surreptitious glance to the side, microscopic handwriting on the thigh, signaling with crossed and uncrossed legs or earlobe tags. But that was yesterday.

A newer generation of students learned to grab term papers off the Internet from such Web sites as IvyEdu.com and the Evil House of Cheat, reports the Los Angeles Times. But with large-scale assessment testing, the rewards for cheating have risen sharply. Whole tests can be stolen so that answers can be sold to hundreds of test-takers. Today's cheaters can use such cutting-edge devices as wireless video cameras (\$150; or a bit more for versions concealed in pens or eyeglass cases), miniature tape recorders, and electromagnetic radiation detectors that can read computer display terminals from a distance.

The growing technological capacity for cheating has coincided with a growing acceptance of the practice. Stephen Davis, a psychology professor at Emporia State University in Kansas, has surveyed more than 17,000 students across the country.

A 1941 survey found that 21 percent of college students admitted cheating at least once on an exam. By the late 1980s, Mr. Davis found, the figure had reached 50 percent, and has remained at that level. "It's the diploma at the end

of the trail that counts these days," Mr. Davis said, "not the process to get the diploma."

But there may be a way to re-create the sense of academic community that suppresses the temptation to cheat. Schools with honor codes, a Rutgers associate provost, Donald McCabe, found, have much lower levels of cheating.

Short Takes

The U.S. government will allow hunters to shoot hundreds of thousands of additional snow geese as they migrate north in coming months. The move aims to protect the health of vast stretches of tundra and salt marshes in the Hudson Bay area of Canada. The birds breed there during the warm months, destroying plant roots and topsoil as they grub into the tundra. Over the last three decades, the snow goose population has risen from 800,000 to about 5 million.

The Interior Department will allow 24 states to extend the hunting season and permit hunters to use cown-banned electronic goose calls. Hunters are expected to shoot up to 1.2 million of the birds.

A last bastion of male domination in the American workplace is the construction industry. While women make up about 46 percent of the total work force, they accounted for just 11 percent of construction industry employment in 1996, and that number included women working in marketing and support jobs. But, amid a construction boom, the total number of women in construction jumped to 780,000 in 1997, nearly 30 percent higher than the preceding year, The Dallas Morning News reported.

Brian Knowlton

BRIEFLY

A German Banker Is Killed in Iran

TEHRAN — An Iranian gunman shot and killed a German banker he had taken hostage while being chased by the police, the Foreign Ministry said Sunday.

A ministry spokesman expressed regret at the death of Heinrich Lemhirt, the representative of Deutsche Bank in Tehran, in a shoot-out near the holy city of Qum on Saturday.

The newspaper Kayhan said Mohammed Aza Ziyarati Farahani, 24, also had killed three Iranians, including a police officer, before being killed by the police. (Reuters)

Groups Reaffirm Bounty on Rushdie

TEHRAN — Iranian hard-liners used the 10th anniversary Sunday of the death order against the British author Salman Rushdie to reaffirm their intention to carry out the sentence for blasphemy despite a diplomatic deal designed to paper over the affair.

"Iran is serious and determined in the execution of God's order," Ayatollah Hassan Sanei, head of a religious foundation that had underwritten a \$2.8 million bounty on the author's head, was quoted as saying by the daily Jomhuri-e Islam. (Reuters)

Bomb Trial Nears

RAMBOUILLET, France — Two Libyan suspects in the bombing in 1988 of a Pan Am jet over Lockerbie, Scotland, are closer than ever to facing trial, but a clear agreement from Libya is still needed, Foreign Secretary Robin Cook of Britain said Sunday.

On Saturday, Saudi Arabian diplomats told UN officials in New York that Colonel Muammar Gadhafi, the Libyan leader, had agreed to the suspects being tried before Scottish judges sitting in the Netherlands.

Missile-Shield Talks

OTTAWA — Canada and the United States are holding high-level discussions on the construction of a North American nuclear-missile shield. The Globe and Mail newspaper reported. (AP)

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EDITORIALS/OPINION

Herald Tribune

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After Clinton's Ordeal

No Gloating, Please

"Is this still a gloat-free zone now?" a reporter asked presidential spokesman Joe Lockhart after the Senate voted to acquit the president. Responded Mr. Lockhart: "Absolutely."

One might expect that — after a president had lied under oath and committed acts that smelled awfully like obstruction of justice; that after these acts had triggered a criminal investigation from which the president withheld the truth for months; that after the president had lied before the grand jury in the course of this investigation; that after the president had made lies of and caused public humiliation to his family, aides and friends; that after many of those people had incurred significant legal fees as a result of the investigation; that after the president's defense had repeatedly compounded the lies he told with further lies; that after the House of Representatives had concluded that his offenses warranted impeachment; and that after the Senate decided not to remove him from office, extorting (correctly, in our view) what is more an act of grace than an acquittal in the traditional sense — the possibility of gloating over such a victory would not even merit discussion.

The president and his spokesman both made all the right noises in the wake of Friday's Senate vote; no vindication was claimed, and the president's deep sorrow at his actions was again reiterated and with sufficient generality that he did not have to repeat his preposterous distinction between the private wrongs that he acknowledges and the public wrongs that he continues to deny. Yet one is left with the suspicion that Mr. Clinton still does not understand what happened.

To the White House, this was mere political warfare — something to be won or lost — rather than a serious question about the fitness to lead of the

man at America's helm. We opposed Mr. Clinton's impeachment, and we opposed his removal after the House passed the articles. The Senate vote to end this process without removing Mr. Clinton was a correct one. Mr. Clinton's acquittal, however, is unsatisfactory at a profound level.

It is not just the failure of the Senate to pass a censure resolution — a failure that makes this acquittal seem like more of a vindication than it ought to seem. It is also that we believe perjury and obstruction of justice both to be, where proved, presumptively impeachable offenses under the constitution. And although Mr. Clinton's acquittal was the right exercise of senators' discretion, given the peculiarly personal circumstances of this particular case and the inadequacy of aspects of the charges, one is left with the hollow feeling that a precedent has been established that will stand in the future as a comfort to perjurers and others who would tamper with federal court proceedings while holding high office.

Senators and commentators were eager on Friday to brand the vote a victory for the constitution. That is nonsense. The constitution lost in a big way the moment the man in whom it vested the entire executive power of the United States decided to cheat a court in order to protect himself.

This matter is finally over is a good thing. And Mr. Clinton, to be sure, can now rest easy in the knowledge that he will serve the rest of his term. That is not, however, any kind of vindication worth celebrating for Mr. Clinton, much less for the constitution. It is a simple judgment — more mature, perhaps, than principled, and made with every understanding of the ignoble qualities of the man who sits in the Oval Office — that not every offense is worth punishing. That judgment is nothing to gloat about.

— THE WASHINGTON POST

Back to Business

The Senate's acquittal of President Bill Clinton brings relief to a scandal-wary country, but it ushers in a new era of distrust in Washington. For all their pledges to seek a new bipartisanship, Democrats may be more interested in trying to capitalize on impeachment fatigue by confronting and demonizing the Republicans in order to reelect Congress. Republicans are divided, perplexed and wary of Democratic motives.

But that is only a snapshot: 21 months before the next election. The future need not be characterized by more trench warfare. Both parties have time to lift their sights and approach their work in the constructive spirit desired by the public.

The Democrats are feeling confident, now that Republican House managers could not get even a majority of senators to back the perjury and obstruction charges against Mr. Clinton. Dick Gephardt, assessing the slim Republican edge in the House and the party's fumbling since the election, has sensibly decided to remain as the House Democratic leader, withdraw from the presidential race and focus his energies on becoming speaker. That leaves him and Vice President Al Gore in a tight alliance that poses a more serious political and fund-raising threat to the Republicans.

But Democrats must also be careful not to appear indifferent to the public's tortured ambivalence toward President Clinton and his conduct. Any White House-inspired attempt to punish the House impeachment managers could easily backfire, reinforcing the image of an unrepentant president. Most of the House managers are from extremely safe districts, in any case.

As chastened as they may be by the impeachment debacle, Republicans can take some comfort in the fact that it ended with a measure of dignity. That conclusion is a tribute to Senate Majority Leader Trent Lott, who managed to maintain a bipartisan spirit even when the votes were not. He avoided the mistakes of the House, kept the Senate dialogue going, and mostly allowed all sides to feel that they had given it a legitimate shot, although this judicious tone was marred somewhat by Mr. Lott's Hitler comments about the president after the vote.

The pressures on Republicans are tremendous. They are more split over politics, cultural matters and basic issues like tax cuts and Social Security

— THE NEW YORK TIMES.

Other Comment

Now Impeach the People?

What's shocking is how readily those who hate Bill Clinton are willing to transfer that hatred to the people who refused to give him the boot. William Bennett now labels Americans "ignoble." Lindsey Graham summed up his case for impeachment by saying, "This nation is in hopeless decline." In his summation, Henry Hyde declared: "I wonder if after this culture war is over ... an America will survive that's worth fighting to defend." Love it or leave it, buster.

— Frank Rich, commenting in *The New York Times*.

Herald Tribune

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The World's Leader Has a Credibility Problem

By David S. Broder

WASHINGTON — In a statement explaining his votes to convict President Bill Clinton of perjury and obstruction of justice, Senator Richard Lugar of Indiana, an influential Republican voice on foreign policy, raised the most important question unanswered by the Senate's acquittal verdicts: Is Mr. Clinton still trusted enough to lead?

"The president of the United States is the most powerful person in the world, because we are the strongest country economically and militarily — and in the appeal of our idealism," Mr. Lugar said. But a president can exert that influence only to the extent that "he personifies the rule of law that is sworn to uphold and protect."

"We must believe him and trust him if we are to follow him," Mr. Lugar said. "His influence on domestic and foreign policies comes from that trust."

Mr. Lugar's words, and his votes, carry special weight because there is no one on Capitol Hill with wider contacts in the international community and no one whose views on foreign policy sway more colleagues in both parties.

Coming out of the impeachment trial, Mr. Clinton enjoys a good deal of leverage with the Republican Congress on

domestic issues. Republicans desperately need to show some progress on the issues that people care about — education, health care, Social Security and the rest — in order to erase the image that they are fixated on punishing the president. To do that means that they must forge compromises with him.

There is no such imperative on foreign policy. The public is not pushing for anything to be done. Quite the contrary. The less the United States is involved in bailing out other countries' problems, economically or militarily, the better most Americans like it.

Mr. Clinton, on the other hand, learned that the world becomes a much more dangerous place when America fails to lead. And a cadre of Republican senators, headed by Mr. Lugar, has been prepared to help the president maintain at least a degree of bipartisanship in his foreign policy.

The chairman of the Foreign Relations Committee, Jesse Helms of North Carolina, remains implacably opposed to major parts of administration foreign policy, despite all the flattery that Secretary of State

Madeleine Albright can apply. But right behind him in seniority are four internationalist Republicans who have provided critical support on key issues from expansion of NATO to engagement with China.

They are Mr. Lugar, a Rhodes scholar and former chairman of the committee; Paul Coverdell of Georgia, a former Peace Corps director; and two talented, relatively junior members, Chuck Hagel of Nebraska and Gordon H. Smith of Oregon, both former businessmen with a strong grasp of the realities of the international economy.

Those four probably will determine how much unity can be maintained in foreign policy over the remaining months of Mr. Clinton's term.

Senate Majority Leader Trent Lott of Mississippi is such a skeptic when it comes to Mr. Clinton that he publicly questioned the timing of the mid-December air campaign against Saddam Hussein, suggesting that Mr. Clinton might be trying to delay the House impeachment vote. And House Speaker Dennis Hastert of Illinois has displayed little of Newt Gingrich's strong belief in a vigorous international leadership role for the United States.

Unfortunately, Mr. Coverdell, Mr.

Hagel and Mr. Smith share Mr. Lugar's profound disquiet with the behavior that put the president on trial. All four voted to remove him from office.

Mr. Smith, for example, said: "Political prisoners around the world look to the United States for hope," largely because of American adherence to the rule of law. "If the president of the United States is allowed to break our laws when they prove embarrassing to him or conflict with his political interests," the confidence of people abroad, as well as at home, shrivels.

These senators say they will continue to support Mr. Clinton's policies when they think them correct. Mr. Coverdell, for example, said, "We will deal with the president as president." But he conceded that Mr. Clinton has a credibility problem with the committee "that may be increased by the trial."

Mr. Hagel told me: "If anyone believes there will not be a political hangover here, they haven't been around very long ... The embassies have very sophisticated observers, and they know all is not well. There will be consequences for a world that depends on American leadership. The real challenge is whether we can rise above this."

The Washington Post

Beyond the Rambouillet Effort Looms the NATO Anniversary

By Jim Hoagland

PARIS — The United States

and its main European allies have dragged Serbs and ethnic Albanians to France to reconcile their murderous differences. In this exercise of diplomatic desperation lie seeds of opportunity or discord for an Atlantic alliance struggling to find a new identity beyond the Cold War.

The urgent focus of the proxy talks being held at Rambouillet, near Paris, has rightly been on the popular insurrection against the rule of Slobodan Milosevic and his repressive Serbian forces in the predominantly Albanian-inhabited province of Kosovo.

Both Mr. Milosevic and the Kosova Liberation Army have spent the winter preparing for March offensives that would break four-month-old U.S.-brokered truce, according to U.S. intelligence reports. The need to head off the new spasms of bloodletting was dramatized by a savage massacre of Albanian civilians at the Kosovo village of Racak on Jan. 15.

What happened next illustrates the importance of a new morning in NATO:

The massacre occurred only weeks after Britain and France pledged at a summit meeting in the French town of St. Malo to take on more responsibility within the alliance for security in Europe. London and Paris moved to avoid in Kosovo a repeat of the European humiliation and failure in Bosnia before U.S. mediation produced the Dayton accord in 1995.

Britain and France launched the Rambouillet talks on behalf of the Contact Group, which they, the United States, Russia, Germany and Italy compose. If agreement is reached by the Feb. 19 deadline set by Paris and London, a NATO-led peacekeeping force of about 30,000 troops commanded by a British general and including German and Russian units will quickly deploy into Kosovo.

Britain has begun loading and shipping light tanks to the region, and France has put its preventive force already in Macedonia on alert to move into Kosovo as soon as the accord comes into effect.

against a second deadline beyond the competing March offensives in Kosovo: In late April the leaders of 19 members of NATO will gather in Washington to celebrate the alliance's 50th anniversary and unveil a new "strategic concept" of its missions and responsibilities.

In pre-summit negotiations on that document, France and the United States have expressed radically different views on NATO using force outside its territory.

The French accuse the Americans of wanting a "global NATO," and insist that United Nations approval must be sought for out-of-area missions except in the most extraordinary cases of immediate humanitarian disaster.

The Americans of wanting to subordinate the alliance and weaken U.S. leadership in it, say NATO can always act on its own authority.

This has led U.S. negotiators into the odd position of fighting against any reference in an eventual Kosovo agreement to a request for UN ap-

proval of this new peacekeeping mission — even though, as the French point out, such a request is included in the Dayton documents written by American negotiators.

Such wrangling sounds abstract, but it has immediate consequences for implementing a Kosovo agreement, and could quickly snuff out the recent progress made in promoting alliance harmony.

President Bill Clinton and the other leaders can expect to be laughed off the Washington stage if Rambouillet fails and ethnic war is raging on Europe's southern fringe while they solemnly party at the anniversary celebration.

The road to a Washington summit that reflects glory on the good and great of the Atlantic community now passes through the police stations and city hall of the pitiful Kosovo capital of Pristina. Stopping the bloodshed there and policing the peace is a mission that Americans and Europeans should share equitably once they stop arguing over bureaucratic theory.

The Washington Post

The Arab World Needs More Than Fathers and Sons

By Thomas L. Friedman

WASHINGTON — The most striking thing about King Hussein's funeral was who did and did not attend.

Moammar Gadhafi sent his son and heir apparent, Seif el-Islam. Hafez Assad went himself, instead of sending his son and heir apparent, Bashar. Saddam Hussein could have sent his son and heir apparent, Uday, but they weren't invited. Hosni Mubarak went himself; I did not notice if he brought his able son Gamal. King Hassan of Morocco sent his son, Crown Prince Sidi Mohammed.

Crown Prince Abdullah of Saudi Arabia came himself. Emir Isa of Bahrain came himself and did not send his son, Crown Prince Saad of Kuwait instead of his older cousin, the emir. They all came to pay homage to Hussein's son and heir, King Abdullah.

Gays, some free advice: This ain't gonna work much longer. When I was in college, studying introductory Arabic, the first two sentences I learned were "The Nile River is the biggest and longest river in the world" and "Women are half the nation." Both sentences are still true, but only one is believed in today's Arab world.

"All these Arab leaders kept saying to Abdullah, 'May you

follow in your father's footsteps,'" said Shibley Telhami, an expert on international relations at the University of Maryland. "But this is precisely the mind-set that needs to be put behind us. The notion that your sons should always follow in your footsteps just isn't appropriate anymore."

The one hopeful sign is that all the kings and dictators have lost their monopoly over information. They started with private Saudi broadcasters setting up Arabic-language papers and a satellite television station, the Middle East Broadcasting Center, in London, from where they beam back real, uncensored news into the Arab world.

The Saudi financiers, though, made one mistake. At the urging of their government, they used their private media to attack their neighbor Qatar for having been too aggressive in opening up relations with Israel.

The Arab world desperately needs a country or leader able to demonstrate that it is possible both to open up to the world and to empower your people politically, economically and educationally, without sparking instability.

In the increasingly competitive relay race that is today's global economy, if you are only fielding a relay team of fathers and sons, there is no way — no way — you can keep up.

The New York Times

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Balkan Fears

PARIS — The "Novosti" says: "The Albanians are playing the same rôle in Macedonia that the Kurds did in Armenia. It is to be feared that the so-called Macedonian rising will be provoked by them, whereas repression will be directed against the innocent Slav agriculturist, who is quite tranquil and devoid of any thought of insurrection. It is highly important that such a collision should be avoided, which can be accomplished only by the combined intervention of the great Powers with the Porte."

HEALTH/SCIENCE

A Thorny Question

Growing a Human From an Embryo Cell

By Gina Kolata
New York Times Service

NEW YORK — Six years ago, scientists in Canada published a remarkable paper in which they reported that they had grown entire mice from individual cells that they had plucked from mouse embryos.

At the time, it was seen by those in the small world of mouse researchers as a technological tour de force. But now, as scientists are eyeing human embryo cells as material for research, the experiment is giving rise to a thorny philosophical question.

If you can grow a mouse from a single embryo cell, you should in theory be able to grow a human from a single human embryo cell. And if you can grow a human from a single embryo cell, is that cell the moral equivalent of an entire embryo?

Where, in other words, does the human life lie?

There are no simple answers anymore, ethicists say. "There's a certain ambiguity or complexity that wasn't appreciated before," said Thomas Murray, director of the Hastings Center, which studies ethical issues.

But even debating the question is a political mine field, some experts say. The answers could determine whether scientists can go ahead with experiments on isolated human embryo cells that they hope will revolutionize medicine or whether they will be required to treat single human embryo cells with the same sort of restraint that they treat a human embryo.

"People who hold a pro-life view regard the human embryo from the moment of conception as a fully protectable human being," said Ronald Green, director of the Ethics Institute of Dartmouth College. And so discussions of whether embryo cells are the equivalent of embryos or the equivalent of human tissue, like skin or muscle, are being carried out with the abortion debates looming in the background. "That's a tremendous pressure in these discussions," Mr. Green said.

The mouse embryo cells that the Canadian scientists studied were of a special type, known as stem cells, that in theory can grow into any tissues or organs, although not — most assumed

until the experiment six years ago — into an entire healthy mouse. Researchers have worked with mouse embryonic stem cells for years, but only recently have scientists been able to isolate human embryonic stem cells, a result that has profound implications. Scientists speak of learning to push human embryonic stem cells along a pathway to become a spongey bone marrow, brimming with red and white blood cells, or a pancreas that could squirt out insulin for a person with diabetes.

There is just one problem: The government bans the use of its money for research in which human embryos are destroyed or discarded. The question was, where does that leave embryo stem cells? In a recent decision, lawyers for the Department of Health and Human Services wrote that human embryonic stem cells were not included in

the research ban. The reason, the National Institutes of Health wrote in a statement, was that the cells "are not an embryo as defined by statute" and since human embryonic stem cells "do not have the capacity to develop into a human being, they cannot be considered human embryos consistent with the commonly accepted or scientific meaning of that term."

Nonsense, says Lee Silver, a mouse geneticist at Princeton University. If what matters, as the government lawyers wrote, is "the capacity to develop into a human being," then human embryonic stem cells are the moral equivalent of embryos. "Metaphysically, it's all the same," he said.

He thinks research with human embryo cells should be permitted but is offended, he said, by all the winking and nodding by scientists who do not want to admit the true potential of these cells to become a baby, if anyone wanted to try.

John Gearhart of the Johns Hopkins University School of Medicine, who led one of the two teams that isolated human embryonic stem cells, said the real question was whether the stem cells by themselves could grow into a person. "The bottom line has to be that these cells in and of themselves are not capable of doing that," he said.

Brigid Hogan of Vanderbilt University said: "There is a real biological difference between an embryonic stem cell and a fertilized egg."

There is a tremendous pressure in these discussions.'

By John Noble Wilford
New York Times Service

CHICAGO — In a kind of summit conference on the universe, the world's leading cosmologists have assessed their theories and pronounced them healthy, saying that a wealth of new research that at first seemed puzzling turns out to strengthen the intellectual framework that has shaped decades of debate about the origin and evolution of the universe.

The astonishing discovery last year that the universe's expansion is not slowing down, as assumed, but seems to be speeding up jolted theorists of the Big Bang whose concept for the explosive beginning and expanding evolution of the universe had, as Sir Martin Rees of Cambridge University in England put it, "lived dangerously for 30 years."

An indispensable corollary, introduced in 1981 and known as inflation, had breathed new vitality into the theory with a plausible explanation of how, in its first microseconds, the universe made the transition from initially featureless conditions to the ripples out of which mighty galaxies would grow. But scientists had been short on evidence to support the reality of inflation.

So in a six-day meeting here, the cosmologists were relieved to find their inflationary Big Bang theory more robust than ever.

"Two years ago, we couldn't have had this meeting — we didn't have the data," said Michael Turner of the University of Chicago, who organized the Pritzker Symposium and Workshop on the Status of Inflationary Cosmology. "Now we do, and the data say we have a live universe."

Flatness is the large-scale geometry for the universe predicted by the inflation concept. It means that the expanding universe will not collapse or thin out into infinity, but should maintain a gravitational balance between the two alternatives through a coasting expansion.

The cosmologists were also a little surprised by the outbreak of good feelings over issues that used to provoke intellectual donnybrooks. No one questioned the Big Bang itself, which would not have been the case earlier in the decade.

Only a few entered mild objections when Alan Guth of the Massachusetts Institute of Technology, originator of the first inflation concept, proclaimed: "Everything about inflation is incredibly solid," adding, "It's hard to imagine any alternative."

Yielding to this triumphal spirit, some of the holder theorists seemed eager to



Michael Turner, left, and Sir Martin Rees at the cosmology conference.

crack even grander cosmic mysteries, like the possible existence of many more universes. Perhaps believing that cosmology abhors a vacuum of dispute, these bold ones stunned their colleagues by recommending the controversial anthropic principle be applied in determining the nature and properties of forces and matter in the universe. In anthropic reasoning, simply put, the physical laws of the universe must be such that they allow for the existence of humans.

The primordial spur of inflation would seem to meet the anthropic standard. Inflation was supposed to leave on space an imprint of ripples, temperature fluctuations as microwave signatures of slight density variations.

The Cosmic Background Explorer spacecraft detected these signatures in 1991, and more detailed observations recently have convinced scientists that these are the seedbeds of all the large

structure that eventually appeared in the universe, the stars and galaxies and clusters of galaxies. Without them, there would be no intelligent life. Cosmologists had thus traced the ultimate origin of galaxies back to the first instant after the Big Bang, and inflation they said, had passed a critical test.

They also felt they were coming close, or close enough, to knowing the age of the universe; probably somewhere between 13 billion and 15 billion years old. Two teams of astronomers still feud over

differing calculations. But at least new research shows that, contrary to earlier reported estimates that were paradoxical and highly embarrassing, the oldest stars are not older than the universe.

All could agree that the evidence of a low-density universe is overwhelming. There is not enough mass in ordinary matter, the stuff of stars, planets and people, or even the hypothesized exotic particles called cold dark matter to stop the universe from expanding forever.

If standard models of inflationary cosmology are correct, a universe that does not eventually collapse on itself (a closed universe) or expand forever into infinity (an open one) should have a critical density, expressed as omega equals one, and a flat geometry. The gravity of a critical density should slow expansion to a kind of coasting equilibrium between collapse and vanishing infinity.

BY MOST measures reported at the meeting, based on studies of the light and motions of galaxy clusters, the density of mass in the universe may be no more than 20 percent to 30 percent or at most 40 percent of the theorized critical density. Only 5 percent is in the readily observed form of luminous stars, and perhaps another 10 percent is composed largely of the interstellar clouds of hydrogen gas. The rest is presumably mostly cold dark matter, unknown and

so far undetectable.

Even the discovery, reported last year, that pervasive subatomic particles known as neutrinos have a slight mass does not add enough to the cosmic density to be significant, scientists said. This shortfall in matter density has led theorists to revive a concept that Einstein had entertained and discarded, a kind of hypothesized vacuum energy known as the cosmological constant. No one has detected it or been able to explain its properties, except that the cosmological constant must be evenly distributed energy that exerts a negative pressure to counteract the restraining gravity of matter.

As a result of evidence for an accelerating universe, Sir Martin said, "Stock in the cosmological constant has gone up enormously."

Early last year, two rival astronomy teams reported observations of supernovas, exploding stars, both near and far. The measure of their velocities provided the first direct, if tentative, evidence of an accelerating expansion of the cosmos.

Mr. Turner called this the "smoking gun" for something else in the universe besides matter, ordinary or exotic, and that something must be the "missing energy." This could be the unvarying cosmological constant or some other form of repulsive energy in empty space, like the hypothesized quintessence, which supposedly varies over time.

In this case, the standard model for an all-matter flat universe is dead — but lives on among cosmologists as a matter-plus-exotic-energy flat universe. Still, some scientists cautioned against writing off the possibility of an open universe — what if there is not enough vacuum energy to reach critical density? Though the original inflation models hinged on a flat universe, theorists have now suggested ways to have an open universe within the framework of inflation.

With so many important questions still unanswered, P. James Peebles of Princeton University worried about premature celebration of a theory triumphant. "This is a wildly healthy field, but still in its early days," he said. "We've got a lot to do yet."

Mr. Peebles ended the symposium on a note of introspection about how successful science, particularly physics, is done. His division of the community was between classicists and romantics, defining the two with a musical analogy.

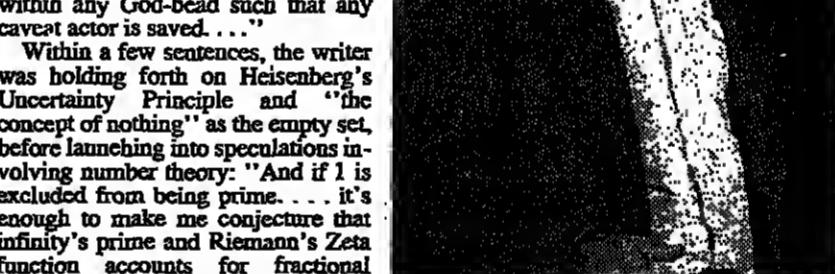
Bach was a classicist, inventive but following a sharply defined paradigm; and Wagner a romantic, unbound, soaring from conventional forms.

"The parallels with our present situation are absolutely uncanny," he said.

Admit One

THE

STEP OUT OF YOUR WORLD



Underwood Dudley tracks the breed.

Strange World of the Math Crank

By George Johnson
New York Times Service

NEW YORK — The letter, dated Christmas Day 1998 and addressed to a professor at the Niels Bohr Institute in Copenhagen, began portentously: "Nowadays, we seek to comprehend our comprehensions and call that comprehensiveness knowledge in the mistaken belief that as a science it is immortal. Such omniscience diffuses like Helium-3 into the penetralia meatus of omnipotent impotency within any God-head such that any caveat actor is saved...."

Within a few sentences, the writer was holding forth on Heisenberg's Uncertainty Principle and "the concept of nothing" as the empty set, before lamely into speculations involving number theory: "And if 1 is excluded from being prime.... it's enough to make me conjecture that infinity's prime and Riemann's Zeta function accounts for fractional charge subatomically just for the Higgs boson with an involucular matrix of ogdoad parity as midwife!"

The letter was typed single-spaced with the tiniest of margins and embellished with hand-drawn diagrams and colored annotations. Copies were sent to a list that included the linguist Noam Chomsky, the physicists John Archibald Wheeler, David Deutsch and Stephen Hawking, and the mathematician John Casti.

"It has all the hallmarks of a crank," said Casti, who is affiliated with the Technical University of Vienna and the Santa Fe Institute in New Mexico. "It's amazing all the stuff you can get onto a single piece of paper."

But it was too good to be true. The possibility. Though the stories of Ramanujan and Abel linger in the backs of mathematicians' minds as they aim the latest unsolicited epistles toward the wastebasket, most become quickly jaded. "After several hundred of these

things you get into that mode," said Ian Stewart, a mathematician at Warwick University in England. "It has to do with your self-preservation."

"The writers of these letters range from pretty good amateur mathematicians who have made a mistake somewhere or skipped over an important step to people who are completely mad," he said. "You get very strange mail in 17 different fonts and 14 colors and with an idiosyncratic grammar."

Many of the correspondents are intelligent, well-meaning, indefatigable souls who, in their untrained way, share the fascination mathematicians feel for the invisible world of numbers. And many are simply cranks.

Physicists get their share of mail from amateurs attempting to reconcile quantum mechanics and general relativity or to show that Einstein was wrong. But the greater ease with which one can speculate about numbers has caused the mathematical crank to become enshrined in academic folklore.

The phenomenon is even documented in a 1992 book called "Mathematical Cranks" by Underwood Dudley, a mathematician at DePauw University in Indiana.

"I've been at this for a decade and I can't pin down exactly what it is that makes a crank a crank," said Mr. Dudley, who has met a few in person. "They are usually men, old men. All are fat. None of them are fat," a characteristic he attributes to their obsessive personalities. "It's like obscenity — you can tell a crank when you see one."

With recent films like "Good Will Hunting" and "Pi" giving mathematicians a romantic sheen and popular new biographies romanticizing the lives of eccentric mathematicians Paul Erdos and John Nash, the flow of crank mail will only increase, predicted John Allen Paulos, a mathematician at Temple University in Philadelphia.

Study Looks at Best Ways to Read to Children

By Erica Goode
New York Times Service

NEW YORK — A mother pulls her 4-year-old daughter onto her lap, opens the book "Madeline" and begins to read. "Do you see the 12 little girls in a line?" she asks, pointing at the picture.

At preschool, the teacher takes a different approach: She reads the book all the way through, then asks the children, "Did the little girls like Miss Clavel?"

Which style of interactive reading is most likely to increase a child's vocabulary skills? According to a study by New Zealand researchers, it depends on the child.

Children whose vocabulary skills

are already fairly advanced seem to benefit most from a more demanding "performance oriented" interactive style, said Elaine Reese of the University of Otago in Dunedin, a co-author of the study.

In that format, Ms. Reese said, the adult introduces the book — explaining what it is about and asking the child to predict what will happen — then reads through the pages, and afterward poses a series of questions that explore the book and relate to the child's own life.

Less advanced children, on the other hand, seem to profit more from a less demanding "describer" style of reading, Ms. Reese said, in which the adult interrupts the narrative frequently, pointing to and labeling pic-

tures and commenting on the story.

Forty-eight New Zealand 4-year-olds participated in the study, a report of which was published in a recent issue of the journal Developmental Psychology. Adults read the boys and girls 32 books over a six-week period using one of three different reading styles. Researchers tested the children's vocabulary skills at the beginning and the end of the study.

Children who entered the study with higher initial scores on the vocabulary test showed greater gains when adults read using the performance-oriented interactive style.

Those with lower initial vocabulary scores gained most from the descriptive style of interaction.

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so far undeterred. Even the director of the planning party known as the eight mass downsizing experts said: "The bottom line is that the density has led them to the concept that it's time to move and discussed, in a very vacuumed energy, a form of the logical constant. We have been able to expand our base except that the market demand must be even more intense to exert a negative influence on the recruitment of students."

As a result, the university is accelerating its search. "Many 'Shock in the system' has gone up dramatically."

Early last year, several universities reported record enrollment increases, exploding to nearly 10 million. The majority of these were in the first three of the major fields of study, accelerating enrollment by 4 percent.

"Mr. Turner called for the 'soft gun' for so-called jobs in the besides many, many ways of that something can be the real energy." This could be the unenviable beginning of some form of replacement education in America like the hyperbole used quip which supports us over me.

In this case, the industry makes all matter that are dead leaves among the trees plus even more that numerous some scientists have noted aging off the economy of an active life. What is the vacuum energy from the outside?

Through the years, the number of part-time faculty has increased, now suggesting that the universities will continue to expand.

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INTERNATIONAL EDUCATION / A SPECIAL REPORT

For-Profit

With Crunch at Home, British Universities Look Overseas

By Tom Buerkle

LONDON — For generations, British beacons of higher education like the universities of Oxford and Cambridge have attracted foreign students to these shores. But increasingly it is the universities themselves that are sailing abroad.

Using every technique from distance learning by correspondence or the Internet to joint degree programs with affiliated institutions overseas, British universities are reaching more and more foreign students where they live.

The number of foreign students taking British university courses overseas has exploded from almost nothing 15 years ago to well over 100,000 today and is fast approaching the 200,000 foreigners who actually matriculate in Britain.

The type of program varies widely, and some academics question whether a degree earned overseas is as good as one obtained in Britain. But the trend appears likely to grow, inspiring imitation by universities in other major countries.

"Australia and the U.K. are indeed market leaders, and the majority of developed industrial economies will follow their lead during the next 5 to 10 years," said a recent report entitled "The Internationalization of Higher Education," by Paul Bennett, for the Institute of Development Studies at the University of Sussex in Brighton.

The reasons for the growth are simple. Foreign students are a vital source of income at a time when domestic funding is under so much strain that the British government this year introduced fees of £1,000 (\$1,632) a year for students.

"There's a resource crunch in higher education," said Keith Williams, director of academic development at the Open University, Britain's first and largest virtual university. "It's pushing people to look toward more flexible means of provision to expand higher education."

AT THE SAME TIME, the global economic slowdown has reduced the number of foreign students able to pay full tuition and living expenses at a British campus.

According to the British Council, a government-funded body that promotes British culture and education, the number of students coming to British universities from Malaysia fell by 44 percent this year, to 2,127.

But British degrees remain highly prized in today's global marketplace, so more foreigners are enrolling without leaving home.

"There are people who are joining the program because of the Asian economic crisis," said Susan Gidman, deputy director of external programs at the University of London.

A student can obtain a degree through the external program for only £2,000 in fees, a fraction of the £6,500 to £7,000 it costs per year for a foreign student to study on a London

campus. In 1997, the most recent year for which statistics are available, the University of London had more than 22,000 students studying in 157 countries.

The bulk were in Southeast Asia, with more than 16,000 in Malaysia, Singapore and Hong Kong. Those have traditionally been the largest markets for British universities because of colonial ties, the widespread use of the English language and the sheer demand and ability to pay for education.

The Open University also has experienced dramatic growth, with 21,000 of its 165,000 students now living outside Britain, including 6,700 in Eastern Europe, 5,500 in the European Union and 4,300 in Singapore. The number of foreigners studying abroad has grown by 36 percent in just the last three years.

In addition to running the largest outreach programs, the University of London and the Open University pride themselves on retaining tight control over their course offerings.

The University of London works with some 130 academic institutions abroad, some of which are mere marketing conduits while others have been approved to provide facilities and staff to support external students. External students follow the same syllabus as their counterparts in Britain and take the same exams, albeit at a distance, which are corrected by the

Foreign students are a vital source of income at a time of funding strains.

same examiners.

"The quality of the degree they are getting is the same," Ms. Gidman said.

Other British universities offer a variety of study programs abroad, from joint degree programs with foreign institutions to franchise arrangements, in which a British-designed course is instructed and administered by a foreign university.

Franchise courses are particularly popular in Greece, one of the biggest European markets for British universities.

A lot of the expansion comes from Britain's former "polytechnics," institutions that obtained university status in 1992 along with the freedom to award degrees where and how they saw fit.

But the fast growth inevitably raises questions of quality, particularly when courses are delivered through an overseas institution.

"Universities have a very weighty responsibility to ensure that standards are maintained, wherever and however programs are being delivered," said Peter Williams, director of institutional review at the Quality Assurance Agency, which enforces standards and quality control among British universities.

The agency audits perhaps 30 to 40 overseas arms of British universities each year to verify their academic standards,

examination procedures and the quality of any partner university. A chief concern is language. Because some foreign programs are instructed in local languages, a foreign student conceivably could obtain a British degree without speaking English.

The agency plans to revise its code of conduct this spring to recommend that British degrees obtained overseas stipulate the language of instruction and the location.

There are signs of resistance to extension programs in some countries. After all, British universities are a direct competitor to local institutions.

FOLLOWING its return to Chinese control in 1997, Hong Kong has required that foreign universities register their courses with the authorities unless they are offered in partnership with a local institution. Israel imposed a similar requirement last year, while Dubai banned advertising by foreign universities.

Still, the demand for university degrees seems sure to remain healthy, and the competition to provide them may only heat up.

"If British universities don't provide it, then they are going to go to the Australians or the Americans," said Michelle Crilly, distance learning manager at the British Council.

TOM BUERKLE is on the staff of the International Herald Tribune.

Europe Takes a Fresh Look at 'Special Needs'

Continued from Page 11

celving this extra help in the regular classroom. Additionally, the law requires that educational assistance be given from birth, so approximately 8 percent of preschool children also receive special instruction.

"We know that a reading school is not created in the school but long before they come to school," Mr. Hansen said. "So special education is given in the direction of language development."

Dyslexia, one of the most common learning difficulties, causes problems distinguishing and ordering symbols, such as numbers and letters. It

affects about 8 percent of the population, perhaps 4 percent to such a degree that they need extra help in school, according to Robin Salter of the European Dyslexia Association.

In Britain, "There have been huge moves forward," said Lindsay Peir, head of the British Dyslexia Association.

She cited a 1994 "code of practice" law that sets down a timetable for promptly identifying a child's special educational needs and providing appropriate teaching.

And attitudes toward dyslexia have improved, she said, prompted in part by recently published scientific evidence that the disability results from a difference in

brain structure, not from brain damage or emotional factors.

In the Nordic countries and Spain and Italy, the educational philosophy is similar to Denmark's, with nearly all children, whatever their learning difficulties, being helped in regular schools.

BUT IN Belgium, France, the Netherlands and Germany, special education remains largely a segregated enterprise. Children with the most serious difficulties are sent to specialized schools while the others remain in the normal system, where they get scant help.

Mr. Greve said these countries still tend to have a medical approach to learning difficulties, treating them as physical or psychological disorders instead of a problem requiring different teaching approaches.

"We are in a very psychologically oriented culture," said Ariel Conte, head of CORIDYS, an advocacy group in France for people with neuropsychological dysfunctions. "Parents waste at least two to three years with psychologists before they start getting educational help."

In French public schools,

teachers have not generally received training in recognizing or teaching children with learning disabilities, according to a report by the European Commission's special needs agency. Special education is truly a specialty, reserved for instructors at institutions dedicated to blind or deaf children or children with severe mental or emotional problems.

Another problem, Mr. Conte believes, is that French parents rarely know where to go for the evaluation, counseling and education of their

learning-disabled children. "The facilities exist," he said.

The education authority in Flemish Belgium just last year recommended a new policy of "inclusive education," aiming to keep more children of varying handicaps within the main school system, but as the report by the European Commission pointed out, "many mainstream school personnel are very defensive and see the presence of pupils with special educational needs as an unnecessary burden."

Parental rights differ across the Continent. In Denmark, parents have final say over whether their child will be taught in the classroom, in a special class within the school or at a separate school, Mr. Greve said.

In Britain, he said, parents can express their preferences but cannot always be sure they are followed, while in France, "parents have been very limited until now in their influence on where the child

should go to school."

In North Wales, Marian Morphet meets each year with teachers and a psychologist to review the educational needs of her son Richard, 14, whose dyslexia was discovered at age seven.

"He would read a word on one line and see it on the next line, and it was a totally different word for him," recalled Mrs. Morphet, who said she had to pressure school officials to test him because he otherwise appeared so bright.

But now Richard gets individual instruction one hour a day from a special education teacher in his school's "resource center." His school also gave him a laptop computer to help him write and correct his class work.

"He's getting a lot of help now, and he's got a lot more confidence," said Mrs. Morphet, who believes sending Richard to a segregated school for handicapped children "would have brought him down further." Richard recently was moved out of a remedial English class into a normal grade level class.

European officials see a looming problem stemming from the new cross-border job mobility of European Union citizens. For children who already have difficulty with the written language, a second language can be insurmountable. And it may be hard for teachers to recognize that missteps in a second language come from a learning disability.

For more information on European special education: <http://www.european-agency.org/uni/home.nsf>.

ROBIN HERMAN is a Paris-based journalist.

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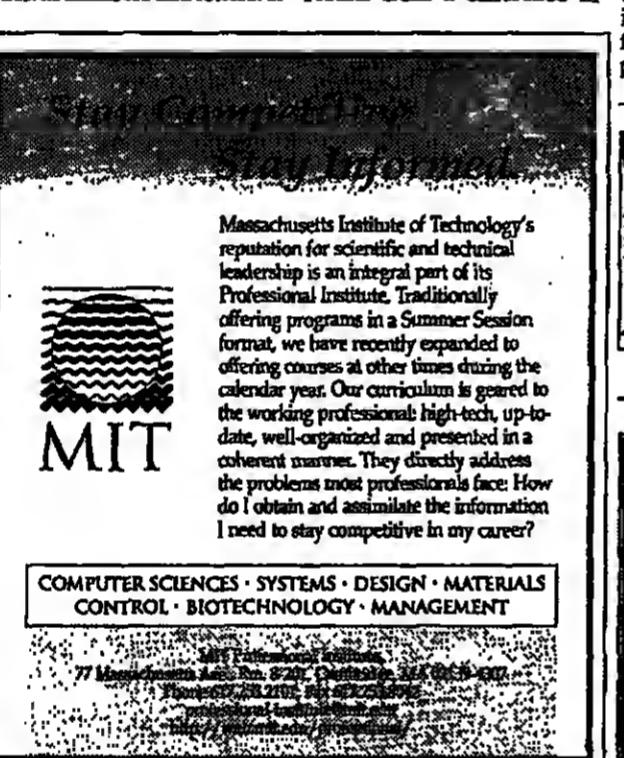
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missions procedures, and the quality of my English. A good command in language, because some courses are conducted in its language, is a foreign university student obtain a British degree without going to Britain.

University plans to revise its code of conduct this year so that British degrees obtained overseas are no longer considered valid. The location of the university is also to extend its programs overseas. After all, British universities are abroad.

FOLLOWING its return to Chinese control in 1997, Hong Kong has required that foreign universities register their courses with the authorities unless they are offered in partnership with a local institution and advertising a similar requirement is likely, while the demand for university degrees seems to be increasing, and the competition to provide them more.

If British universities don't provide it, then they are to go to the Australians or the Americans," said Alan, admissions manager at the British Council.

IN GENEVA is on the staff of the International Re-

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new disabled children to become part of the education system," he

In North Wales, the education authority in south Wales just last recommended a new way of "inclusive education" aiming to keep more than the main school system, but as the report by the report. Commissionary pointed out, "mainstream schools personnel were distinctive and see the essence of pupils with special educational needs at an unnecessary burden."

Parents' rights differ from the Christians in Denmark, parents have first say whether their child will taught in the classroom, in a special class within the main at a separate school, or home, or otherwise, appeared in March.

But now Religious individuals in other countries have a special concern about the education of their children, which have been given a chance to help him and others in the classroom.

"He's getting a lot of love, and he's going to succeed," said Mrs. Murphy, who has been a teacher at a school for the past 10 years. "I think he's going to be successful in life."

In Britain, he said, parents express their preferences cannot always be satisfied, while in America, parents have been limited until now in their power to choose what their child

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INTERNATIONAL EDUCATION / A SPECIAL REPORT

For-Profit Colleges Divide Malaysians

By Thomas Fuller

SUBANG JAYA, Malaysia — If it weren't for the students wandering the halls with books under their arms, one might be forgiven for thinking Taylor's College was the headquarters of a medium-sized corporation.

The college has a marketing office and a "Quality Department." A sign on the door of the latter announces that the school has been certified under ISO 9002 guidelines — a distinction usually reserved for factories, not institutions of higher learning.

In fact, financially speaking, Taylor's is a corporation. The for-profit college has shareholders who can dividends. Until a few months ago, it was controlled by a group that runs Malaysia's largest finance company.

Today, it is controlled by a group that runs Malaysia's largest finance company. Taylor's dropped a history program last year because, one professor at the college

have proved very popular among Malaysian students. There are about 500 private tertiary institutions in the country today, up from just a handful two decades ago.

But their success has been greeted with apprehension among some educators who say profit-oriented institutions treat education like a commodity.

The problem with these private institutions is that there is a bias in offering programs that are readily marketable," said Rustam Sani, a professor at the University of Malaya, the country's leading state-owned university. "We lose the totality of a university education — literature and history are almost abandoned."

"For a developing nation like ours, those are the areas we cannot afford to lose."

Most of the degrees offered by colleges like Taylor's are science or business-related. Taylor's dropped a history program last year because, one professor at the college

said, the administration said there was no market for it.

Administrators at private colleges defend their curricula, saying they are simply offering the courses that students want.

Foreign universities provide the curriculum and the teaching materials — and ultimately the degree. The local college provides the facilities and the professor, who must be approved by the foreign institution.

FOR students eager for the prestige of a foreign degree, the twinning programs offer substantial savings: A three-year program done at Taylor's in Kuala Lumpur costs about 30,000 ringgit (\$13,150). That is less than it costs to send a Malaysian student to Britain for one year, according to Mr. Chew.

Critics of the programs say students are obtaining the foreign degrees but missing out on less tangible aspects of a college education.

"There is a notion that a

university is more than just a place to acquire skills," said the Taylor's professor. "I think you would find it very difficult."

Nonetheless, the programs have been very popular with students and with the foreign universities. About 100 foreign universities have been licensed by the Malaysian Ministry of Education to participate in the programs, including Australia's Monash University, Britain's Manchester University and other universities from the United States, Canada and New Zealand, most of them large state-run universities.

"Academic reputation is based on so many things. You can't easily transfer a university to a new location and get the same results," Mr. Rustam said. "It's a very mechanical, business notion of education," he added.

Taylor's College, which has one of the biggest libraries of all private colleges in Malaysia, has 12 stacks of books at its main branch — about 30,000 titles.

"Try to write a research



A Taylor's College student walks past a sign advertising Australian education near Kuala Lumpur.

Sumit Mandal, a lecturer at the state-run Universiti Kebangsaan Malaysia, said: "In some ways, the private colleges probably run more efficiently. But when you are owned by a corporation, there are just no intellectual checks and balances. It's definitely not a liberal arts education."

THOMAS FULLER is a correspondent for the International Herald Tribune based in Kuala Lumpur.

Singapore Woes Top Schools With Vision of Regional Hub

By Michael Richardson

SINGAPORE — Despite recession and uncertainty clouding Asia's future, Singapore has made a strong start in implementing a plan to attract up to 10 "world-class" academic institutions within a decade to help turn the island-state into a regional education hub.

The Massachusetts Institute of Technology is also committed to tertiary education courses in Singapore.

Officials of the various foreign universities planning to establish themselves in Singapore said they were doing so because of the island-state's advanced infrastructure, attractive financial incentives offered by the government and a conviction that strong demand existed in the region for their services.

Deputy Prime Minister Tony Tan of Singapore said in September that the government's Economic Development Board planned to attract up to 10 world-class educational institutions to establish a significant presence in Singapore within 10 years.

"These institutions will focus on postgraduate education and research," he said. "They will cover a spectrum

of disciplines from business and management to engineering, medicine and applied sciences. Once we succeed, Singapore will become the hub of choice for talent, research and development, innovation, and knowledge-driven industries."

MICHAEL TAN added that to be competitive in the long term, Singapore must take full advantage of the evolving knowledge-based economy as both manufacturing and services industries exploited rapid advances in computers and telecommunications technology to become global players.

The Singapore operation of the University of Chicago Graduate School of Business will be taught in 16 one-week modules spread over 19 months to allow executives to continue working full time while traveling throughout

in which business education is becoming increasingly international.

"This is the first time a business school will offer a globally integrated executive MBA program on three continents taught entirely by its regular faculty at permanent campus locations," said Robert Hamada, the school's dean.

In Singapore-based MBA program is intended to appeal to companies that want to adjust to the rapidly changing business environment without losing key executives for long periods. A full-time MBA course can take 12 to 24 months to complete.

The Chicago Graduate School's Singapore course will be taught in 16 one-week modules spread over 19 months to allow executives to continue working full time while traveling throughout

the Asia-Pacific region to attend classes for intense periods of group study.

The INSEAD operation in Singapore will be considerably larger than that of the Chicago Graduate School.

INSEAD's campus will be built in four phases at a total estimated cost of 60 million Singapore dollars (\$35.5 million).

Starting next year, INSEAD Singapore will accept 45 MBA students and 1,500 participants in its executive education courses. By the time the campus is completed, it hopes those numbers will have increased to 480 and 4,500 respectively.

INSEAD's tuition fees for the MBA course starting in January are \$28,500. The Chicago Graduate School

program will cost each student \$52,000.

Both institutions are confident that a market exists for their courses, despite the economic downturn in Asia. So is the Singapore government.

"In fact, the current economic crisis has helped many companies in this region real-

ize the importance of investing in human capital, especially through effective education and training," said Singapore's education minister, Teo Chee Hean.

MICHAEL RICHARDSON is the International Herald Tribune's Asia editor.



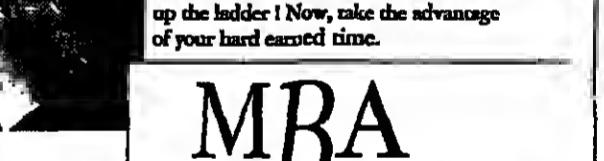
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INTERNATIONAL EDUCATION / A SPECIAL REPORT

Asians Redefine British Boarding School

By Thomas Crampton

BANGKOK — Generations of British aristocrats and empire builders shipped their children home to study at an elite coterie of costly boarding schools famous for bland food and a rigorous classical education.

Now, however, parents in Asia can save on the airfare but still get a brand-name diploma thanks to several overseas franchises opened in the last few years.

Harrow School, Dulwich College and Winchester College now have ties to schools in Southeast Asia that claim to offer the traditional British boarding school experience while upholding identical academic standards of the parent school for a fraction of the price.

Students at the six-month-old Harrow International School sport straw boater hats similar to those worn at the school's 427-year-old namesake, but instead of playing games on verdant cricket pitches, they kick around soccer balls in an empty concrete parking lot near central Bangkok.

"The brims are not quite as stiff as those made in England," said the school's headmaster, Stuart Morris. "We have had our initial troubles, but we do intend to be a good deal more than just another international school. The Harrow name is our trump card."

Thailand's economic

bubble burst just as plans for the school got under way, bankrupting the original investors and sending the school from fields outside the capital into unused commercial space adjoining a condominium near central Bangkok.

For now the school has 170 students, 75 percent of whom are Thai, and none of whom boards. In the next few months, empty apartments in the condominium will be divided into boarding houses, which Mr. Morris expects to fill with weekly boarders, eager to avoid lengthy commutes through Bangkok traffic, as well as pupils from other Asian countries.

Mr. Morris said his school, at about 300,000 baht (\$8,105) per year, costs about one third that of Harrow in Britain. Certain students, he added, will even find that his school has advantages over its British counterpart. "We concentrate very much on science and mathematics. I don't know how much Mandarin or Japanese Harrow offers," Mr. Morris said.

In fact, staff at the foreign franchises often don't know the original schools terribly well. Nobody working at the Harrow International School has taught at its British namesake, while just one teacher at Dulwich International College also worked at the original school in London.

The headmasters from both schools insist that quality is assured by an active board of governors and regular inspection.

parents," said Patrick Briggs, principal of Kolej Tuanan Ja'afar in Malaysia. "This use of famous school names is nothing more than an advertising tool. Here in Malaysia it grates with the colonial past. Parents really care whether we can send their children to the best universities."

NATTIINEE Udyananon, 17, who wants to be a chemist for a petroleum company, said students at Harrow work much harder than pupils in Thai schools and the uniform is stricter.

Compared to Marlborough House school in England, the pace of teaching at Harrow in Bangkok is slower, according to Edward Snow, 13, a Harrow pupil whose mother teaches at Harrow in Bangkok.

"To call our school the Eton of the East, as the former headmaster did, can upset

"Sometimes there are simple words that English

speakers know but the teacher has to explain to everyone else," Edward said, adding that Thai food was much better than British fare.

"I liked the baked beans at my last school, but they basically dumped food on your tray and you could only say big or small," he said. "Here I can't even count the number of dishes to choose from."

Transplanting a British institution overseas presents particular challenges, said Christopher Charleson, headmaster of Dulwich International College.

"It would be completely wrong to impose three centuries of tradition on a school that is just a few years old," Mr. Charleson said. "The climate, for one thing, made us change the boarding routine and uniform and introduce new sports activities."

Based on the Thai resort island of Phuket, Dulwich International College's sprawling

facilities include a main building copied from the original school in London, an Olympic-sized swimming pool and a vast area for playing games.

Sixty percent of students at Dulwich are Thai while about 10 percent are British, Mr. Charleson said.

Unlike Harrow in Bangkok, which offers standard British A-levels, the 270 secondary school students at Dulwich in Phuket work toward an International Baccalaureate diploma.

"The International Baccalaureate gives students more flexibility in terms of going to university in countries besides the United Kingdom," Mr. Charleson said, adding that about one third of graduates attend university in Britain.

THOMAS CRAMPTON is a correspondent for the International Herald Tribune in Bangkok.



Thomas Crampton
Stuart Morris, headmaster of Harrow School near Bangkok, with some of his pupils in straw boater hats.

In Britain, Schools Repackage Softer Image

By Barbara Rosen

LONDON — For generations, parents have sent their children to British boarding schools for an experience often described as "toughening up." But economic times and social attitudes have changed. These days, cold dormitories and colder showers are more likely to put off, rather than attract, prospective parents — out to mention their progeny. And the schools themselves have had to learn a hard lesson: adapt or die.

Government statistics show there were 814 private-sector boarding schools in England in 1993; in 1998, there were 772. Today's industry is stronger and leaner, advocates say, but most definitely not meaner.

The boarding experience today would be largely unrecognizable to the "old boys and girls" of yore. And while many schools used to rely heavily on family descendants to fill the rolls, these days it is rare to find a boarding school without a designated marketing person.

"Schools have become much more of a service in-

dustry" over the last four or five years, "very conscious of their customer and providing what their customer needs," said Ann Williamson of the Boarding Education Alliance, a promotional group representing 180 schools.

"The schools have in fact changed, but the public doesn't seem to be aware of this," Ms. Williamson said. Today, she said, "What you get out of boarding school is continuity, consistency and security." She added, "It's not sending your child away. It's giving your child a second home."

Research commissioned by the Boarding Education Alliance in 1996 found that, in order to survive, boarding schools had to update their image and aim it at different groups: new money as well as old, first-time boarding families as well as longtime ones, students as well as parents.

Today's customers want boarders to be comfortable, well fed and easily accessible to their families, Ms. Williamson said, adding that 40 percent of boarders' parents live within an hour's drive. "I was very lucky if I ever got to see my parents at all in three months," recalled Jane Laing, head of Friends' School, Saffron Walden, in Essex. And she couldn't call home either. Today, most students at Friends' have phone cards, "and they can telephone their parents anytime they want, within reason," she said. Many schools offer regular e-mail contact as well.

OFTEN, the schools said, day pupils actually ask to board.

At St. Andrew's School in Eastbourne, researchers found many day pupils wanted to sleep at school.

Two years ago, St. Andrew's began the "sleep-over." Parents can phone on little or no notice and get their child dinner, bed and breakfast for £15 (\$20) a night. "We can provide teddy bears and we can provide toothbrushes," said Pam Duffill, an English teacher who also

serves as director of marketing. "When you're thinking about paying a baby-sitter, you're evidently better off."

It has been such a success — bed occupancy jumped 400 percent in the first year — that St. Andrew's now offers five nights for the price of four, Ms. Duffill said. Full-time boarding becomes increasingly popular as final exams approach, she added.

Such "flexi-boarding" has become a pillar of boarding school success, answering the needs of parents with business trips as well as those of students with extracurricular activities.

Friends' even offers sleep-over weekends built around sports and arts and crafts, which are aimed as much at children from other schools as their own. "It isn't the kind of thing that we would have been doing five years ago," Ms. Laing said. "We do a lot more active marketing as a school than we used to."

New York, Queen Ethelburga's College, a secondary school, uses national TV and radio and worldwide print ads to trumpet its many attractions. Bedrooms (some singles) are equipped with satellite TV and video, plus pay phone with answering machine, CD-player and

heated towel rack. Older girls (boys board only until age 11) have access to a sauna and solarium.

Queen Ethelburga's was founded in 1912; in 1991, it was bought by a parent/businessman and moved to its present site. Over the years, more has changed than just what meets the eye, said the principal, Erica Taylor. While students are still largely white, she said, the socio-economic mix of families, as well as what they want out of boarding school, is much different.

Previously, "The children we had had mothers who were old girls, whereas our present population are almost exclusively first-time buyers," Ms. Taylor said. "Before it used to be old money, and now it's new money."

The vast majority of Queen Ethelburga's graduates go on to higher education, compared with about 10 percent in the old days, Ms. Taylor said.

"On the old site we were academically reasonable, and it would be fair to say we turned out young ladies," she said.

"Now we are academically good," and turning out "career women."

BARBARA ROSEN is a freelance journalist based in London.

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INTERNATIONAL EDUCATION / A SPECIAL REPORT



A reading class in Mali. UNESCO notes that 84 million primary-school-age children are not enrolled in school.

Keeping More Children in School Developing Nations Devise Ways to Trim Waste'

By Edward B. Fiske

WHEN Guatemalan educators set out in the early 1990s to improve the teaching of Mayan-speaking children in rural areas, they faced a double-edged problem. Not only were low numbers of such pupils enrolling in primary schools, many of those who did enroll were either dropping out or repeating grades. Schools, in short, were wasting precious resources on students who were not graduating in a timely fashion.

To combat what has come to be known as the problem of "waste," the government in 1990 adopted a "child-centered" approach to primary schooling. Teachers were taught to manage multi-grade classrooms and to engage students in "active learning." Blackboards were taken down from front walls and carved up into slates for each pupil, and student work began to appear on classroom walls.

Nearly a decade later, Guatemala had increased not only the number of Mayan-speaking children attending school but also the proportion who were graduating six years later. According to government figures, 54 percent of first graders in the New Multi-Grade School are now reaching the fifth grade, compared with only 25 percent in a control group of schools.

The search for ways to prevent waste involves educators in many developing countries and international agencies assisting them. "Reducing waste" is one of our major priorities," said Dieter Berstecher, director of the Global Action Program on Education for All of UNICEF in Paris.

A recent UNESCO publication, "Wasted Opportunities: When Schools Fail," estimated the total annual cost of repetition at \$6 billion and calculated that financing repetition in the first four grades consumes 16 percent of the education budgets of countries in less developed regions.

Nine years ago, at the World Conference on Education for All in Jomtien, Thailand, educational and political leaders from both developing and developed nations agreed to build a major global push to increase primary school enrollment, and significant progress has been made toward this goal. According to UNESCO, the total number of primary school pupils rose from 600 million in 1990 to 650 million in 1995, outpacing population growth. Most of the growth occurred in developing countries.

As enrollment figures began to move upward, attention began to shift to whether school systems were using their scarce resources in the most efficient way.

Educators say the problem of waste is really two problems. The first is dropouts who leave school before completing the primary school cycle. Since research shows that many of these students are likely to relapse into illiteracy, the time and money spent on their partial education has in many

cases gone for naught. The second problem is students who stay in the same grade for more than one year. These repeaters take up space and consume teaching time, textbooks and other resources that might otherwise be devoted to other students.

In Cambodia, for example, 4 out of every 10 pupils occupying a primary school seat at any given time are repeaters. The Asian Development Bank estimated that serving these repeaters requires 10,000 additional teachers and 5,000 more classrooms — all of which could be used for other purposes.

There are social and personal costs as well. "Pupils who are unable to proceed with their classmates to the next grade frequently face problems of self-esteem," the UNESCO study pointed out, and they "become likely candidates for dropping out entirely."

Students frequently drop out of school for reasons beyond the influence of educational systems, such as the need to work on the family farm. By contrast, retention rates are largely a reflection of school policies that can be controlled.

Campaigns aimed at dropout prevention typically have broad social objectives and use techniques such as public relations campaigns to encourage parents to enroll their children in school. The World Food Program of the United Nations has successfully raised the levels of school attendance in Pakistan, especially among girls, by providing food for students, teachers and sometimes entire families. Kenya has increased enrollment and reduced dropout rates with public health programs.

Most successful anti-waste programs are based on the notion that students with competent teachers, good textbooks and other resources will not only learn more but be more motivated to stay in school.

Mr. Berstecher warned that the waste issue is complicated and success breeds problems of its own. "Governments don't talk much about this publicly, but the fact is that education systems are selective, and no developing country has the resources to educate everyone," he said. "Having dropouts is almost a 'requirement' for the survival of an educational system."

EDWARD B. FISKE is a former education editor of *The New York Times*. He is also the principal author of the UNESCO report, "Wasted Opportunities: When Schools Fail."

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SECTION INTERNATIONALES DE SÉRIES

CAPITAL MARKETS ON MONDAY

With Market More Wary, Some See Opportunity in High-Yield Bonds

By Jonathan Fuerbringer
New York Times Service

NEW YORK — Since October, when the latest phase of the U.S. stock-market rally began, equity investors have set caution aside.

They have a "buy now" mentality, based on their belief that the future will prove them right, and they seem more afraid of missing out on a big rally than of possible risks in the market. Sharp sell-offs just reinforce that behavior; after all, the downturns have regularly been followed by rapid recoveries.

The high-yield bond market, however, has been behaving differently. Investors there have decided to put a healthy dose of caution back into their buying decisions.

In 1997 and early 1998, junk-bond investors were dismissing risk, just as their stock-buying brethren did, as they rushed to buy anything with a higher

yield. They routinely ignored differences in credit quality, a fact that worried the chairman of the Federal Reserve Board.

But after the Russian ruble devaluation and bond default last year, risk popped back onto the junk-bond radar screen, and the market did not bounce right back as the stock market did.

For example, the spread, or difference, between the yield on a 10-year junk bond issued by Arcadia Financial Ltd. and the comparable U.S. Treasury note narrowed to 5.85 percentage points last June.

Considering the difference in credit quality, the spread was not that wide, when compared with, for example, the 3.05-point spread on a 10-year LTV Corp. junk bond over the Treasury issue. LTV, a steel manufacturer, is rated BB by Standard & Poor's, two notches higher than the B rating on Arcadia, an automobile loan-servicing company.

But since the autumn sell-off, the pricing of Arcadia and LTV bonds has returned to more normal levels; a risk differential has been restored.

At the low for the high-yield market in October, Arcadia was trading at a spread of 14.58 percentage points over Treasury issues, while the LTV spread was at 5.47 points. Now, the Arcadia spread is at 10.97 points, still more than two and a half times the 4.02 points for LTV, according to data from KDP Investment Advisors in Montpelier, Vermont.

Kingman Penniman, the president of KDP, says investor caution means that there are still opportunities in high-yield bonds, despite the rally so far this year.

Mr. Penniman's high-yield index is now 4.51 percentage points above the rate on the 10-year U.S. Treasury note, down from 6.25 points in October but still above the 3.54 points that had been the average since 1992.

Two concerns have been holding back

the high-yield bond market: investor worries about the strength of the U.S. economy and the fear of another global financial scare that would send investors running for cover in the U.S. Treasury market while every other bond market is sold off.

Mr. Penniman says that with U.S. economic growth looking stronger for this year, the bigger restraint on the market is the fear of more global shocks.

But since he expects this fear to wane, he adds that "it's a great time to be in high-yield."

Jeffrey Koch, portfolio manager of the Strong High Yield fund, also sees opportunities in what he calls the middle

tier of the high-yield market.

These are bonds — such as those of Grove Worldwide, a crane manufacturer, and B. F. Saul REIT, a real-estate investment trust that has an 80 percent stake in Chevy Chase Savings Bank — that were of decent credit quality but were sold off sharply last autumn and have not rebounded fully.

Mr. Koch said the return of a premium for risk was making high-yield issues attractive again.

He is not sure, however, that everything is lined up for a great year.

"Something like Brazil is going to happen," he said. "Or the economy will slow. Or new issuance will be so big that spreads will have to widen out. I think

we will get a lot of periods of volatility."

But there is a way to deal with this volatility, he said. An investor can pick a promising company and stick with the bond; if the investor doesn't sell, the price fluctuations will not make a big difference over the long term.

As Mr. Koch put it, "Stay invested and get the coupon."

The remaining question is whether the pause last week in the U.S. stock market — with a 3.4 percent sell-off in the Nasdaq composite, this year's best-performing stock index — is a sign that equity investors may be beginning to see the risks that high-yield investors have taken for granted since last autumn.

Weak U.S. Issues Attract Investors' Eye

Bloomberg News

NEW YORK — After suffering their worst two-week banting in more than three and a half years, U.S. long-term Treasury bonds now look attractive, especially in the current low-inflation environment, some investors say.

Yields on U.S. 30-year issues have risen 40 basis points, or hundreds of a percentage point, in February to almost 5.50 percent — a level not seen since Russia defaulted on its debt last August, sending investors rushing into the safety of U.S. Treasury bonds.

"The market's looking pretty attractive," said Dave Capurro, portfolio manager at Franklin Resources Inc. in San Mateo, California.

With inflation dormant, bonds are particularly enticing after a sharp rise in yields, investors say. If yields should fall, investors could reap fat returns. A half-point drop in the yield on the 30-year benchmark bond to 4.92 percent by the end of 1999 would translate into a 14 percent gain for investors who bought the bonds Friday, according to Bloomberg Financial Markets. After factoring in the current rate of inflation, the return would be 12.4 percent.

Investors who bought 30-year bonds at the start of the year are now sitting on

a loss of 4.1 percent, after gains of 18.6 percent in 1998.

The steep declines in prices Friday were sparked by the Bank of Japan, which said it would not increase the amount of Japanese bonds it bought. Investors took the move as a signal that bond rates in Japan, which set an 18-month high last week, would not fall. That could make Japanese investors, who are the biggest international holders of U.S. debt, favor domestic bonds over U.S. Treasury bonds.

Japanese bonds are "more attractive

for a Japanese bond buyer — for that matter, any buyer," said Graham Allen of Wells Capital Management in Los Angeles.

But investors who favor U.S. Treasury issues are undeterred, arguing that low inflation, falling commodities prices and fewer bond auctions will swell demand for \$35 billion in U.S. Treasury issues. The 30-year bond ended the week with a decline of 1.23/32 points, or \$17.19 for each \$1,000 face amount, raising its yield to 5.42 percent.

Investors who bought 30-year bonds at the start of the year are now sitting on

U.S. CREDIT MARKETS

attract dollars into Treasuries," said John Swaim of TradeStreet Investment Associates in Charlotte, North Carolina.

Bond bulls are still in the minority at the moment. Prices fell last week amid rising Japanese yields and a disappointing sale of \$35 billion in U.S. Treasury issues. The 30-year bond ended the week with a decline of 1.23/32 points, or \$17.19 for each \$1,000 face amount, raising its yield to 5.42 percent.

Investors who bought 30-year bonds at the start of the year are now sitting on

New International Bond Issues

Compiled by Paul Floren

Issuer	Amount (millions)	Mtr.	Coupl.	Price	Tenor
Floating Rate Notes					
Bank of Western Australia	\$200	2000	Ebor	100.00	—
Export Import Bank of Japan	\$1,000	2004	Vs	99.91	—
Oesterreichische Investitionsbank	\$150	2004	Vs	99.928	Over 3-month Libor, Noncallable, Fees 0.125% (Austrian bank)
BCL/Intl Finance	EUR400	2000	4%	99.999	Below 3-month Euribor, Noncallable, Fees 0.05%
BCP Finance	EUR300	2002	0.15	99.827	Over 3-month Euribor, Noncallable, Fees 0.125% (Willing Dillon Read)
BGB Finance	EUR150	2009	0.35	99.832	Over 3-month Euribor, Noncallable, Fees not disclosed (Morgan Stanley Dean Witter)
Deutsche Bank Netherlands	EUR500	2004	%	99.778	Over 3-month Euribor, Noncallable, Fees 0.15% (Deutsche Bank)
Oesterreichische Kommunalkredit	EUR200	2005	%	99.753	Over 3-month Euribor, Noncallable, Fees 0.175%, Denominations 10,000 euros (Deutsche Bank)
Swiss Handelsbanken	EUR250	2000	Eurobor	99.99	Interest will be the 3-month Euribor, Noncallable. Also 150 million euro paying Vs below 3-month Euribor, Fees 0.05% (Deutsche Bank)
Fixed-Coupons					
Asian Development Bank	\$500	2002	5%	99.888	99.70 Noncallable, Fees 0.10% (Salomon Smith Barney)
DaimlerChrysler	\$200	2003	5%	99.25	Noncallable, Fees not disclosed (Willing Dillon Read)
European Investment Bank	\$250	2009	5%	97.681	Floating with outstanding issue, totaling total amount to \$1 billion, Fees 0.325% (Salomon Smith Barney)
European Investment Bank	\$250	2008	5%	99.445	Noncallable, Fees 0.25% (Greenwich NatWest)
Freddie Mac	\$4,000	2001	5%	99.894	Noncallable, Fees not disclosed (Credit Suisse First Boston)
HypoVereinsbank	\$200	2003	4%	98.45	96.85 Reoffered of 97.85, Noncallable, Fees 144% (Bayernische Verobank)
LBW Capital Markets	\$500	2006	5%	101.355	Reoffered of 97.78, Noncallable, Fees 1.15% (ABN Amro)
LBW Rentenbank	\$750	2004	5%	99.838	Noncallable, Fees 0.25% (Dresdner Kleinwort Benson)
Nederlandse Gasunie	\$200	2002	5%	100.9815	Reoffered of 99.74, Noncallable, Fees 1.15% (ABN AMRO Heeres Govt)
Philippines	\$200	2019	5%	100.14	Noncallable, Fees 1.5% (J.P. Morgan)
Quebec	\$1,000	2009	5%	99.738	99.45 Noncallable, Fees 0.33% (Goldman Sachs Int'l)
Rabobank Nederland	\$250	2002	5%	101.19	99.90 Noncallable, Fees 1.15% (Tokyo Mitsubishi Int'l)
Teknor	\$250	2004	5%	101.11	98.95 Noncallable, Fees 0.25% (Willing Dillon Read)
Agence Francaise de Developpement	EUR300	2009	3.5%	99.376	Noncallable, Fees 0.25% (D.P. Morgan)
Argentia	EUR300	2004	9%	100.056	Reoffered of 99.50, Noncallable, Fees 1.15% (Credit Swiss First Boston)
Boliba	EUR200	2009	4.5%	101.086	Reoffered of 99.41, Noncallable, Fees 2% (CDC Mochis)
CADES	EUR500	2004	3%	101.189	Reoffered of 100.54, Noncallable, Floating with outstanding issue totaling total to 2 billion euros, Fees not disclosed
European Investment Bank	EUR100	2006	7	101.178	Noncallable, Floating with outstanding issue totaling total to 300 million euros, Fees 1.15% (ASLU/GER)
General Electric Capital Corp.	EUR250	2004	3%	101.055	Reoffered of 99.43, Noncallable, Fees 1.15% (Willing Dillon Read)
Greece	EUR300	2019	5	99.40	Noncallable, Fees 0.70% (Credit Swiss First Boston)
Hypofmekbank in Essen	EUR1,000	2006	3%	98.31	Noncallable, Fees 0.20% (ABN Amro)
La Poste	EUR400	2009	4	101.063	99.35 Reoffered of 99.26, Fees 2%, Denominations 10,000 euros (Paribas)
Public Power Corp. of Greece	EUR500	2009	4%	100.025	98.35 Reoffered of 98.425, Noncallable, Fees 2% (CS First Boston)
Rallye	EUR300	2006	4%	99.78	Noncallable, Fees 0.70% (Credit Swiss First Boston)
Repsol Int'l	EUR1,000	2004	3%	99.731	99.60 Noncallable, Fees 0.30% (Merrill Lynch)
Brabon Estate	£100	2010	5	99.492	Noncallable, Fees 0.55% (HSBC Markets)
European Investment Bank	EUR250	2026	6	119.315	Noncallable, Floating with outstanding issue totaling total to £1,425 million, Fees not disclosed (Dresdner Kleinwort Benson)
Hebeba Int'l Finance	EUR200	2009	4%	99.7325	Noncallable, Reoffered of 98.075, Fees 2% (RBC D&G)
KFW Int'l Finance	EUR150	2026	6	118.517	Noncallable, Floating with outstanding issue totaling total to \$1 billion, Fees 0.45% (Willing Dillon Read)
LCR Finance	EUR1,225	2028	4%	99.179	Semiannual, Noncallable, Also \$425 million due 2008 priced at 99.98, Fees 0.1875% (HSBC Markets)
Tesco	£100	2009	5%	98.572	Noncallable, Floating with outstanding issue totaling total amount to £250 million, Fees 0.375% (Royal Bank of Scotland)
Manitoba	CA\$150	2006	5%	101.03	99.10 Reoffered of 99.48, Noncallable, Fees 1.15% (CIBC Wood Gundy)

Last Week's Markets

Stock Indexes	Feb. 12	Feb. 13	% Chg.	Money Rates	Feb. 13	Feb. 5	Year high	Year low	Euromarts
U.S. Total	3,274.29	3,261.24	-0.32	U.S. 3-month	4.95	4.95	5.25	4.75	Primary Market
D.J. Industrial	3,261.24	3,267.65	+0.64	U.S. 5-day term	5.25	5.25	5.55	5.25	Secondary Market
S & P 500	616.14	617.67	+0.23	U.S. 5 day term	5.45	5.45	5.75	5.25	Secondary Market
S & P 100	1,020.44	1,021.44	+0.06	U.S. 5 day term	5.45	5.45	5.75	5.25	Secondary Market
S & P 600	1,627.39	1,628.44	+0.05	U.S. 5 day term	5.45	5.45	5.75	5.25	Secondary Market
NYSE Composite	551.46	557.29	+0.59	Call money	0.55	0.55	0.65	0.55	Primary Market
NYSE Corp.	551.46	557.29	+0.59	Call money					

Unrepentant Malaysia Insists Its Capital Controls Have Done Their Job

By Mark Landler
New York Times Service

KUALA LUMPUR — From the plush conference room with teakwood panels to the rich coffee served in china cups, the Malaysian central bank was determined to make the right impression on the foreign fund managers it had invited to a recent briefing.

Malaysia wanted them to bring their capital back to the country, the bank officials told the group. They said they would understand if the investors were still angry at Malaysia for imposing strict controls on foreign investment last September. But the rules had since been relaxed, they said. Malaysia was ready for business.

The one word the Malaysian bankers did not utter was, "Sorry."

Five months after Malaysia incurred global opprobrium by closing off its currency and capital markets, its officials are in no mood to apologize.

Far from wrecking the Malaysian economy, they say, the isolationist strategy has stabilized the country and put it on the road to recovery.

According to government statistics,

sian ringgit and fixing its exchange rate to the U.S. dollar, they say, the government was able to lower interest rates and ward off speculators.

Since September, Malaysia's exports and foreign reserves have increased, consumer confidence has flickered back to life, and the country has escaped the violent social unrest of its neighbor, Indonesia.

"The economy is responding to what we have done," said Finance Minister Daim Zainuddin. "People are comfortable. They say things are predictable. To us, that's a positive."

Mr. Daim has little patience for foreigners who tell him that Malaysia has committed economic heresy. "They're entitled to their opinion," he shrugged. "Either they invest here or they don't. If they prove us wrong, we look stupid."

Malaysia's experiment has not had major imitators. Brazil, which fell into its currency crisis after Malaysia had begun reaping benefits from the policy, has kept its markets open.

And not all of Malaysia's economic indicators point to recovery.

According to government statistics, foreign investors are pouring an average

of \$1 billion a month into South Korea and \$500 million a month into Thailand. Malaysia has not issued recent numbers, but economists say it is getting only a fraction of that.

Still, government officials, academics and business leaders in Kuala Lumpur relish the fact that Malaysia has avoided the prophecies of doom made by the International Monetary Fund, the U.S. Treasury Department and other critics of capital controls.

"We were seen as having done something very naughty," said Francis Yeoh, a Malaysian-Chinese industrialist and one of the nation's richest men. He predicted that "pragmatism and greed" would eventually overcome foreign fury at Malaysia for its actions.

"At the moment, the fury flows in both directions. Malaysia's irascible 73-year-old prime minister and unchallenged leader, Mahathir bin Mohamad, blames the West in general, and George Soros in particular, for precipitating the Asian crisis. He once said a cabal of mainly Jewish currency traders had destroyed Asian countries by speculating against their currencies and forcing them to deplete their reserves.

To many Malaysians, it seems unjust that Mr. Mahathir reaps criticism.

"Mahathir and Soros both support regulating hedge funds," Mr. Yeoh said, adding that in the eyes of the world, "One is a heretic and one is a guru."

But the world has also been troubled by Mr. Mahathir's crackdown on political opponents. On Sept. 2, the day after he imposed capital controls, Mr. Mahathir ousted his deputy, Anwar Ibrahim, who had opposed the policies. When the prime minister threw Mr. Anwar in jail on lurid corruption and sex-related charges, it ignited the largest street protests in Malaysia in decades.

"Foreign investors don't give much importance to human rights," said Chandra Muzaffar, a professor of political science at the University of Malaya.

"But they should be concerned about the Anwar episode, because it has implications for Malaysia's short-term and long-term stability."

When Malaysia imposed its controls, the government declared that foreign capital could not be withdrawn from the country for 12 months. The goal was to punish speculators and other short-term investors. But people who had invested

for the long term felt that they were being held hostage, too.

"What right do they have to confiscate people's capital?" asked Bill Kaye, a fund manager at the Pacific Group in Hong Kong. "If you're an attractive place to invest, why do you need to do that?"

Two weeks ago, Malaysia lifted the ban on repatriating capital and replaced with an exit tax that encourages investors to leave their funds in the country for more than a year. The change mollified a few investors, but not Mr. Kaye. "Most people just want to get their money out," he said.

The government contends the new stability has cheered consumers.

Monthly car sales rose from 12,000 to 19,000 between September and November. Unlike Indonesia, Malaysia does not feel like a country in the grip of recession. Bars and restaurants in the capital are crowded, and the streets are choked with lines of orderly traffic.

Merger Talks Are Canceled

United Merchant Finance Bhd. of Malaysia announced it was canceling merger negotiations with three finance

companies, raising fresh doubts over a financial-sector consolidation exercise initiated by the central bank, Reuters reported Sunday.

United Merchant Group Bhd. said its intended talks to acquire the equity of Delta Finance Bhd., Interfinance Bhd. and BBMB Kewangan Bhd.

But a fourth company, Perdana Finance Bhd., was still negotiating a merger with United Merchant Finance, it said.

The mergers were part of an exercise focused on finance companies by the central bank early last year to help the sector consolidate through reducing the number of companies in it.

Analysts said the latest cancellation had proven that the mergers announced by the central bank with much fanfare on March 31, 1998, were unlikely to succeed.

"Even then, there was a question over whether the mergers will ever take place," said the head of research at a Malaysian brokerage. "Now the situation has worsened further, so even the anchor companies are trying to slip out of their obligations."

Privacy and the Internet: A Trans-Atlantic Fault Line

Q & A / David Aaron

with the European Commission is not going to be much of a solution.

For the moment, most governments have not yet passed implementing laws, but some already have their own regulatory authorities. We're also trying to reach out to the business community to ensure that they understand the enormous potential impact of a deadlock. A break would prevent European businesses from communicating information needed to run their U.S. businesses. Basic functions — accounting, even personnel activities — could become illegal.

Q. Is this a real threat or just a bureaucratic dispute?

A. If we don't reach agreement, the civil courts could be clogged with litigation over damage claims for unauthorized disclosure of issues such as restraint of trade. Expansion of one of the most dynamic parts of both our economies would be threatened. There would be an incalculable price in things that would never occur — Internet trade innovations that would never come about, fortunes never made in both the United States and Europe, well-paid

jobs that would never be created.

Q. What are key points in dispute? A. Quasi-cultural differences over marketing techniques are probably the biggest issue. We're in complete agreement about the need to protect sensitive data — medical, financial or personal information, such as sexual orientation. But Americans don't worry too much about almost trivial information that can be collected through people's activities on the Internet and then used for marketing purposes, such as your preferences about the color of your car.

The question cuts both ways. The comprehensiveness of modern databases cannot be allowed to obliterate privacy, but that very information is a key to realizing the vast potential of electronic commerce.

Q. Are you talking about practices such as Intel Corp.'s plan to put an identifying number in every personal computer so that Internet providers could recognize the user — an idea that was canceled last month after public protest?

A. Yes, Intel changed the chip so that the identification is not transmitted un-

less the user specifically opts in. It's consistent with our approach: People should have a choice about whether information is collected about them or not. So if "cookies" on your screen offer benefits, you can only get them by providing data about yourself.

Q. In Europe, people are entitled to find out what companies are doing with information obtained in these ways. What is the U.S. view about individuals' access to information companies have on them?

A. We believe that if it is significant, sensitive information, the company should provide it no matter what. But if information is trivial and very difficult to get at, the company should not have to go to great, expensive lengths to supply it. In some cases, it might even be impossible to locate. Some databases contain personal information that cannot be extracted by name. A list of people who seem interested in crimes might include names but not be searchable by name, and a company shouldn't have to spend tens of millions of dollars to provide information it didn't want in the first place.

Q. Don't you have divergences on enforcement?

A. We favor self-regulation, with legal teeth. If a U.S. company says it is



Mr. Aaron sees risks to businesses if the question is not resolved.

protecting data and doesn't, it can be prosecuted for deceptive business practices. Europeans agree with this approach, but they long for government bodies to supervise the system. The United States is not going to build a European-style centralized, overriding data-protection czar.

BMW Insists It Has No Plan For a Partner

Compiled by Our Staff From Reuters

FRANKFURT — The new chief executive of Bayerische Motoren Werke AG said Sunday the company was not considering any tie-up with another company despite media reports that a number of auto companies might be considering takeover bids.

Jochim Milberg, who replaced the ousted CEO, Bernd Pischetsrieder, last week, said there was no truth to reports that BMW's position may change.

"BMW is independent and will stay independent," a spokesman quoted Mr. Milberg as saying.

On Saturday, Munich-based BMW's major shareholders affirmed their support of the company after a German newspaper said General Motors Corp. was lining up to make a takeover offer.

The newspaper Die Welt said GM, the world's largest automaker, was likely to make a proposal in the next few days.

"The Quandt family's declaration of support for BMW is steadfast," said a spokesman for the family, which is thought to hold a 45 percent stake in Europe's biggest carmaker. "There are no indications that this will change."

A General Motors spokesman, Dan Jankowski, said, "We wouldn't have any comment on the rumor of the takeover."

The German magazine Der Spiegel, meanwhile, said Volkswagen AG was planning a link with BMW under which the Volkswagen subsidiary Audi AG and BMW would take a mutual 24.9 percent stake in each other, a move that would include taking over BMW's unprofitable Rover unit in Britain.

Rumors about BMW's future have been swirling since Mr. Pischetsrieder resigned Feb. 5 amid criticism of his handling of Rover. BMW has invested more than 5.75 billion Deutsche marks (\$3.32 billion) in Rover since buying it in 1994. Analysts expect Rover to post a pretax loss of about 1 billion DM for 1998.

(AFP, Reuters)

Benefits Agreement at Renault

Renault SA reached agreement on benefit payments for 1,200 Argentine autoworkers it plans to lay off, paving the way for the partial reopening of its plant in Cordoba on Monday, Bloomberg reported from Buenos Aires.

Renault agreed to pay the workers, which are slightly less than half of its work force, 75 percent of their net salary while they are laid off between now and March 31. Idled workers will receive 60 percent of their salaries in April and 50 percent in May. The carmaker announced layoffs last week after stagnating demand in Brazil forced it to slash output by more than one-fourth.

SHORT COVER

Samsung Motor Sets Accord With Workers

SEOUL — A protracted strike at Samsung Motor Inc. ended Sunday after the management and workers reached an accord, the company and the Labor Ministry said.

The agreement was seen here as removing the last major obstacle to negotiations taking place between the Samsung and Daewoo groups of companies under which Daewoo Motor Co. will take over Samsung Motor in a major business swap.

The management and the labor union struck an accord on the job-security issue and other pending issues, the ministry said. It has arbitrated between management and the labor union.

(APB)

Toyota to Construct Plant in Europe

LONDON — Toyota Motor Corp., the world's third-largest carmaker, is considering building its first assembly plant in Central Europe in an effort to increase its European market share, company executives said.

"We are examining that as a possibility but don't have any specific

plans," Toshiro Mizushima, the chief executive of European manufacturing, said at a news conference in London on Friday.

Europe is Toyota's third-biggest market after Asia and North America. The company hopes to increase its European market share to 5 percent by 2005 from 3 percent currently. It has an assembly plant in Burnaston, England, and will open its second, in France, in two years. At present, it has relatively little business in Central Europe.

(Bloomberg)

Call to Promote Trade From Asia and EU

SINGAPORE — East Asian and European Union officials encouraged each other to resist pressure for protectionism and push for reductions in trade barriers in a meeting over the weekend.

The three-day gathering of senior officials from the 26-member Asia-Europe Meeting that ended Saturday "noted the danger of rising protectionism," said Finian Tan, co-chairman and an official of Singapore's Ministry of Trade and Industry. Although the agreement is nonbinding, Mr. Tan said, "That doesn't mean it carries no weight. There is a lot of peer pressure in such organizations. Member countries feel very obliged to do what they agree on."

(AP)

'Inflation' in China: Local Growth Rates

Agence France-Presse

EURO: Mixed Response to New Currency

Continued from Page 1

fat," he added.

Before its inauguration, most analysts were predicting a steady rise in the euro. Europe's economy would look more attractive as U.S. growth slowed, they reckoned, while everyone from central banks to Japanese trust funds were expected to start shifting hundreds of billions of dollars worth of investments from the U.S. currency to the euro.

But the real world has turned out quite differently. Despite the collapse of the Brazilian real and the "warnings of an imminent collapse on Wall Street, the U.S. economy has continued to power ahead.

Growth last year ran at a rate of 3.9 percent, bolstered by a 5.6 percent increase in the last quarter, and most analysts have raised their estimates now for economic growth this year to 2.5 percent or more.

As a result, speculation that the Federal Reserve Board might cut interest rates further, which diminishes the dollar's attractiveness, has been replaced by talk of a possible tightening of monetary policy.

In Europe, by contrast, most recent economic indicators have pointed to softer economic growth, and forecasts for growth in the core economies of Germany and France have been scaled back to less than 2 percent, a level that should cause unemployment to climb again.

While the euro's level has disappointed, the weakness has not curbed the use of the single currency as a borrowing tool. Xavier Werner, head of bond syndication at ABN-AMRO in Amsterdam, estimated that 90 percent or more of the new bonds were being bought by European institutions.

In the past, most institutions had to keep 80 percent of their money in their home currency, and much of that was placed in government bonds.

But the euro has extended the same currency to 11 countries, allowing investors to diversify their portfolios by buying euro-denominated bonds from a range of government and corporate borrowers.

"We have a huge market now with institutional investors very easily buying new names," Mr. Werner said. "We are very rapidly moving to a market which looks like the U.S. corporate market."

The Dutch bank was the lead underwriter of the biggest euro issue to date, a 5 billion euro offering of bonds from the Belgian government last month.

Mr. Lafontaine, the German finance minister, referring to lower estimates of growth and decreasing exports now affecting Europe, said in a paper addressed to his European colleagues Friday that "if the monetary authorities cannot find a response to the negative shock to demand, other options will have to be considered."

He pointed to budgetary measures but did not give concrete details.

Dominique Strauss-Kahn, the French finance minister, talking in connection with a meeting with Mr. Lafontaine, warned of damage to the European economy if the central bank did not give way.

He said, "It would be especially naive to think that monetary union could function if the ECB could conduct monetary policy long-term against the wishes of the governments and its citizens. What it would gain in credibility it would lose in legitimacy, and our economic system would definitely end up weakened."

The bank considers that interest rates gain not at the heart of the euro zone's problem. Rather, says, much of the accelerating problem of diminished growth is a structural one, relating to rigidities, bureaucracy, taxation and a lack of encouragement for initiative.

"Lowering rates in Europe, it reasons, would hardly assist the economies of Asia or Brazil or recreate business lost

through recent external shocks to the Euroland economy."

To its deep regret, the bank indicates, it cannot find the slightest sign that some governments in continental Europe are ready to deal with the structural reforms necessary for growth. In its evaluation of the euro before it became the currency of 11 countries Jan. 1, the International Monetary Fund warned of this condition, saying, "Policies in place are inadequate, and political opposition to reform is still strong."

For the moment, although it does not issue an official forecast of growth for the euro-zone economies for the year, the ECB has forecasts running between 1.5 percent and 2.5 percent. But it is clearly unwilling to talk about the possibility of improved confidence, especially in circumstances where the bank sees key governments not giving the impression that it will stick to the stability pact.

Christa Mueller, his wife, an economist

with whom Mr. Lafontaine has written a book on economic policy,

NASDAQ NATIONAL MARKET

**Consolidated prices for oil shares traded
during week ended Friday, February 12**

Continued on Page 23

U.S. MUTUAL FUNDS

a Voter's Time not Change

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Lazio Grabs Serie A Lead After Loss by Fiorentina

Compiled by Our Staff From Dispatches

ROME — Fiorentina clearly missed its two top strikers Sunday as it lost, 1-0, at Udinese and surrendered first place in the Italian league to Lazio.

Gabriel Batistuta, the leading scorer in the league, was injured while Edmundo left the team to go home to Rio de Janeiro for the city's annual carnival.

Roberto Carlos Sosa's goal with 10 minutes left gave Udinese the upset,

Soccer Roundup

dropping the losers behind Lazio, which moved up even though its nine-game winning streak ended in a 0-0 draw at Cagliari.

Sosa, an Argentine striker, exchanged passes with Tomas Locatelli and fired the return pass under the crossbar to hand Fiorentina its first loss in five games.

Lazio's league-leading offense was completely shut down by Cagliari. The Roman club was trying to equal the Serie A record of 10 consecutive victories, first set by Juventus in the 1931-32 season and matched just twice since.

But the draw was enough to pull Lazio even with Fiorentina on points, and ahead on goal differential. If it is the first time Lazio has been atop the Serie A standings since early in the 1974-75 campaign, a year after the team claimed its lone league championship.

AC Milan stayed on the top pair's heels by edging Venezia, 2-1. Andre Guglielminietro and Maurizio Ganz scored for Milan.

Inter Milan continued its roller-coaster season, losing, 2-1, at Perugia without Ronaldo or the veteran Roberto Baggio. Both are injured, but Ronaldo took the opportunity to go to Portugal to attend the carnival in Alcochete.

It was the first visit with George Graham since he left the club late last year to become manager at Tottenham. Tim Sherwood gave Spurs the lead with his first goal since joining the club. Ian Hart replied for Leeds.

In the only meeting between two teams from outside the Premier League, Barnsley beat a fellow first-division team, Bristol Rovers, 4-1. Huddersfield, also of the first division, drew, 2-2, with visiting Derby County.

France Francis Llacer, the Paris-St. Germain team captain, suffered a fractured rib and a lung injury in his team's final six minutes by Paulo Sergio, a substitute forward from Brazil.

ENGLAND. Andy Cole gave Manchester United a 1-0 victory over Fulham in the fifth round of the FA Cup on Sunday.

Cole scored in the 26th minute against the second division team from western London. After the game, United was pitted against Fulham's near neighbor, Chelsea, in the quarterfinals. United is first in the Premier League; Chelsea is second.



Rui Costa of Fiorentina, left, struggling to keep up with Giuliano Giannichedda at Udinese. While Fiorentina lost, 1-0, in chilly north Italy and gave up first place in the league, its striker Edmundo, below, was taking a break in Rio where he played in a beach 'futvoley' tournament.

Rui Costa of Fiorentina, left, struggling to keep up with Giuliano Giannichedda at Udinese. While Fiorentina lost, 1-0, in chilly north Italy and gave up first place in the league, its striker Edmundo, below, was taking a break in Rio where he played in a beach 'futvoley' tournament.

Fulham fought hard after Cole's goal, and its fans screamed for a penalty when Dirk Lehmann went down under a challenge from Gary Neville. But United created more scoring chances.

Blackburn earned itself a replay with a brave defensive performance at Newcastle that resulted in a 0-0 draw. Stephen Glass and Nolberto Solano, Newcastle's two wingers, troubled host Blackburn throughout, but somehow could never produce the killing pass.

In FA Cup games on Saturday, Roberto di Matteo scored with five minutes to play to give Chelsea a 1-0 victory at Sheffield Wednesday, while Tottenham Hotspur drew, 1-1, at Leeds United.

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Judge Victor Perotta halted a second-division tournament from Feb. 8 because of continued violence among fans and accused the Argentine Soccer Association of failing to provide necessary security in stadiums.

The soccer players' union called the strike as a gesture of solidarity with the lower-division players. Both the Argentine Football Association and the players' union were lodging appeals against Judge Perotti's ruling.

(Reuters, AP, AFP)

NETHERLANDS Ajax Amsterdam, the reigning Dutch champion, continued to score, losing its first game after the winter break, 2-1, to Twente Enschede on Sunday.

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The soccer players' union called the strike as a gesture of solidarity with the lower-division players. Both the Argentine Football Association and the players' union were lodging appeals against Judge Perotti's ruling.

(Reuters, AP, AFP)

NETHERLANDS Ajax Amsterdam, the reigning Dutch champion, continued to score, losing its first game after the winter break, 2-1, to Twente Enschede on Sunday.

Ajax is nine points behind the league leader, Feyenoord. Feyenoord's game at AZ Alkmaar was postponed because the ground was frozen.

FRANCE Francis Llacer, the Paris-St. Germain team captain, suffered a fractured rib and a lung injury in his team's final six minutes by Paulo Sergio, a substitute forward from Brazil.

ENGLAND. Andy Cole gave Manchester United a 1-0 victory over Fulham in the fifth round of the FA Cup on Sunday.

Cole scored in the 26th minute against the second division team from western London. After the game, United was pitted against Fulham's near neighbor, Chelsea, in the quarterfinals. United is first in the Premier League; Chelsea is second.

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(Reuters, AP, AFP)

A Sneak Preview for Sydneysiders

Olympic Sites Taking Shape as Planning Remains on Schedule

By Christopher Clarey
International Herald Tribune

SYDNEY — In the Northern Hemisphere, it has been the harshest winter in history for the International Olympic Committee. But as you stand before the Sydney Opera House on a summer afternoon in the other hemisphere, it is easy to feel warmer about the Olympic movement.

From there, on Sept. 15 next year, the world's finest women's triathletes will take the plunge on the opening day of competition at the 2000 Summer Games, which continue until Oct. 1. With the familiar white forms of the Opera House for a backdrop, they will freestyle their way around one of the world's more idyllic harbors as tens of thousands of spectators cheer them from the shore.

Most of those spectators will be Sydneysiders, the name for those who live in this seaport of about 4 million. Bump into a Sydneysider by accident, and the reply will come quickly: "You're all right, mate." And after several days of contact with Sydney's future Olympic sites, it is difficult not to return the encouraging words. In the midst of an Olympic bribery scandal, which has turned into a crisis of credibility for the IOC and sparked an independent local investigation of the Sydney bid, this city has continued to prepare for the biggest event in its history. For the moment, the city is on, and, in some cases, ahead of schedule.

The new 110,000-seat stadium, the largest used in an Olympics, is essentially completed and will host its first event in March, three months earlier than planned. The Sydney International Aquatics Center, the largest of its kind, has been open since 1994 and already has received 5 million visitors: an appropriately high number in a nation where swimming is a major sport, oot a predominantly suburban diversion with a quadrennial exclamation point.

"Seventy percent of the competition venues are finished, and 90 percent of the contracts or tenders have been awarded," said Elsie Hasting, a spokesman for the Olympic Co-ordination Authority, the governmental agency overseeing venue construction.

Most of the new venues, including the Olympic stadium, are in Homebush Bay, which lies about 10 miles (16 kilometers) west of the city center where the Parramatta River begins to widen on its way to the harbor. Fifteen of the 28 Olympic sports will be contested there, including those that generally attract the greatest interest in the United States: gymnastics, swimming and diving, baseball and track and field. The main press center, international broadcast center and Olympic Village will also be in this area, which will make the Sydney Games the most compact in memory.

In theory, many athletes will be able to walk from their housing to the events and no competition venue is expected to be more than 30 minutes away from Homebush Bay.

In theory, most of the new venues, including the Olympic stadium, are being built as a habitat for the endangered green and gold bell frog. Visitors to the equestrian center, the appropriately named western suburb of Horsley Park, are informed of efforts to protect rare snails.

Even before Sydney won the right to host the Olympics, bid officials were bugging these as "the Green Games," and Greenpeace, the environmental watchdog organization, helped design the plans for the village and has provided input elsewhere. Visitors to Homebush Bay are

WORLD ROUNDUP

Indoor Record Falls

ATHLETICS Haile Gebrselassie of Ethiopia broke the world indoor 5,000 meters record Sunday in Birmingham, England. Gebrselassie, the world and Olympic 10,000 meters champion, ran an unofficial 12 minutes, 50.38 seconds to beat the 12:51.48 set by Daniel Komen of Kenya in Stockholm nearly a year ago. (Reuters)

Gert Thys of South Africa ran the second-fastest marathon in history, winning the Tokyo International Marathon in 2 hours, 6 minutes, 33 seconds Sunday.

His time was 28 seconds off the world best set by Ronaldo da Costa of Brazil in Berlin in September.

Hiroshi Miki of Japan finished second at 2:08:05, followed by a compatriot, Koji Shimizu, at 2:09:00. (AP)

Gordon Wins Daytona

MOTOR RACING Jeff Gordon won a thrilling, last-lap shootout with Dale Earnhardt on Sunday for his second victory in the Daytona 500, the premier race on the Nascar circuit. (Reuters)

Rosset Wins in Russia

TENNIS Marc Rosset beat David Prinoski, 6-3, 6-4, in the final of the St. Petersburg Open in Russia on Sunday. (Reuters)

In a final between two unseeded players, Jerome Golmard of France beat Nicolas Kiefer of Germany, 6-4, 6-2, Sunday to win the Dubai Open. (AP)

In San Jose, California, Pete Sampras withdrew from the Sybase Open before the semifinal Saturday against Mark Philippoussis, the No. 3 seed, because of an injury. Cecil Mamiit, a qualifier, beat Michael Chang, the No. 4 seed, 3-6, 6-3, 6-4, Saturday to reach the final. (AP)

Howell Strikes it Rich

GOLF David Howell of England earned the biggest paycheck of his career with a four-stroke victory in the Dubai Classic on Sunday. Howell began the round tied for first with Wayne Riley but pulled away with a five-under 67. Lee Westwood was second after a closing 67.

Tiger Woods rallied from nine strokes back with a course record 10-under-par 62 at Torrey Pines in San Diego, California, on Saturday to lead the Buick Invitational. (AP)

De La Hoya Beats Quartey

BOXING Oscar De La Hoya beat Ike Quartey in a split decision after a ferocious World Boxing Council welterweight title fight Saturday in Las Vegas. De La Hoya, an American, knocked the Ghanaian down early in the final round. Quartey got up and refused to go down again as De La Hoya landed 17 punches. Both men had started the night unbeaten. (LAT)

On St. Valentine's Day, Barcelona Massacres Real Madrid**Luis Enrique Hits 2 Headers In 3-0 Victory**

Reuters

BARCELONA — Luis Enrique scored twice in the first half and Rivaldo added a late goal as Barcelona rolled to a 3-0 victory over a 10-man Real Madrid team Sunday in a lopsided matchup between the traditional Spanish archrivals.

Barcelona's ninth straight victory gave it a bit more breathing room atop the Spanish first division. It leads Malaga by five points.

For Real Madrid, whose play has been so spotty that the team was booted even as it beat Valladolid on Feb. 7, the loss

SPANISH SOCCER

prolonged a 15-year drought in which it has failed to beat Barcelona at the latter's cavernous Camp Nou stadium.

Real Madrid dropped to fourth place, six points behind Barcelona.

Barcelona dominated throughout the game, grabbing a 2-0 lead after just 36 minutes thanks to two headers by Luis Enrique. His first came in the fifth minute on a centering pass from Patrick Kluivert. Rivaldo added a third goal in the 81st minute on a left-footed kick as he was falling down. Ivan Campo, a Real defender, was draped all over him.

Real Madrid played most of the game with 10 men after Roberto Carlos drew a red card in the 20th minute for a rough tackle on Luis Figo. Madrid had numerous chances to score but squandered them all, not even managing a serious shot on goal until the 31st minute when Predrag Mijatovic tried a slow, angled shot from near the right sideline.

Kluivert also wasted an excellent chance to score in the 34th minute for Barcelona. He recovered a loose ball right in front of the Madrid goalie, Pedro Contreras, but kicked wide to the left.

Elsewhere, Celta Vigo lost, 2-1, at Valladolid, with Jose Luis Caminero giving Valladolid the initial lead. Haim Revivo then leveled for Celta after an hour's play, but Alberto Lopez scored the winner in the 78th minute.



Clarence Seedorf, left, a Real Madrid midfielder, stretching to tackle Rivaldo, a Barcelona attacker, on Sunday. (Courtesy: AP)

Ruud Hesp, the Barcelona goalkeeper, made four outstanding saves. The first came in the 38th minute as he fell backward and reached up to stop what looked like a sure goal by Raul Gonzalez.

Real Madrid seemed to come out stronger in the second half. But its most blatant blown opportunity was one in which Raul practically missed the ball as he tried to kick it in just a few yards from the Barcelona goal.

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The most expensive player in the world, Denilson of Brazil, hit a rare goal for struggling Real Betis, saving a point for the Seville-based team with his 65th-minute strike that earned a 1-1 draw against Santander. In August 1997, Betis paid a \$35 million transfer fee to Sao Paulo for the rights to Denilson. Pedro Alvarez Muniz put Santander in front after 18 minutes.

Atletico de Madrid fired its coach, Arigo Sacchi, on Sunday, a day after the team suffered its fourth straight loss. The decision by Miguel Angel Gil Marin, the team's general manager, was to be announced officially on Monday, the national news agency EFE reported.

The former coach of AC Milan and

the Italian national team lasted just seven months of a contract that ran through June 2000. Atletico fell to ninth in the league after losing, 2-1, to Espanyol of Barcelona on Saturday.

Sacchi is the sixth coach to be fired in the Spanish league this season. (Reuters, AP)

Bebeto Scores His 500th Goal

Bebeto, a member of Brazil's 1994 and 1998 World Cup final teams, scored the 500th goal of his career for Botafogo against Corinthians in the Rio-Sao Paulo tournament. Agence France-Presse reported from Rio de Janeiro.

Bebeto scored after 31 minutes of the first half Saturday, leveling the match at 1-1. Corinthians went on to win, 3-2.

Arsenal Offers Replay After Cup Incident

Reuters

LONDON — In an unprecedented move, Arsenal has offered to replay a match that it won because two of its players broke one of soccer's unwritten codes of conduct.

Arsenal, of the English Premier League, beat Sheffield United, of the first division, 2-1, Saturday in an English FA Cup match. But after the game, Arsene Wenger, the Arsenal coach, said that the winning goal, scored by Marc Overmars, was "sport-wise not right."

Wenger offered Sheffield United the opportunity to replay the match. Following the swift agreement of the FA,

Manchester United wins, Page 24

the governing body of English soccer, the offer was gratefully accepted and the two teams will meet again at Arsenal's stadium in north London on Feb. 23.

With the score locked at 1-1, Lee Morris of Sheffield United was tackled near the Arsenal goal. As United's claims for a penalty were unanswered, one of its players kicked the ball out of play so that Morris, who was injured, could receive treatment.

The convention is that at the subsequent throw-in, the ball is returned immediately to the team that put it out.

But Nwankwo Kanu, a Nigerian international who was making his team debut for Arsenal after a \$4.5 million (\$7.4 million) transfer from Inter Milan, intercepted Ray Parlour's throw toward United's goalkeeper.

Kanu crossed the ball to Overmars, a Dutchman, who scored unchallenged.

Philip Dow, the Premier League referee spokesman, was unhappy with the decision to replay the game.

"Whatever one may think about the rights and wrongs of what happened, no laws were broken when the goal was scored," he said.

Finn and Australian Gain Surprise Slalom Golds

Compiled by Our Staff From Dispatches

VAIL, Colorado — Kalle Palander, a Finn, won the slalom at the World Alpine Skiing Championships on Sunday, breaking the Austrian-Norwegian stranglehold on men's gold medals on the final day of the competition.

Palander, seventh after the first leg, was fastest in the second leg to win in 1 minute, 41.12 seconds. Lasse Kjus of Norway earned his third silver of the championships in 1:42.23, and Christian Mayer of Austria was third in 1:42.25.

Austria won a total of 13 medals at the championships. Norwegians won nine.

On Saturday, Zali Steggall of Australia upset the favorites in the women's slalom. She was almost a full second

clear of Pernilla Wiberg of Sweden to become the first skier from Australia to stand on top of the ski world championships podium. Trine Bakke of Norway won the bronze.

Her winning time was 1:33.97, with Wiberg at 1:34.77 and Bakke at 1:35.00.

When Steggall accepted her medal, albeit to the wrong national anthem, it marked another in a growing list of firsts for Australia's first family of winter sports. Last year, the 24-year-old became the first Australian woman to win a World Cup race, then 10 weeks later in Nagano, Japan, she claimed Australia's first Alpine skiing Olympic medal by taking the bronze in the slalom.

Steggall's brother Zeke won the gold in the boardercross event at the snowboard world championships in Berchtesgaden, Germany, in January.

Since 1992, Steggall has been part of the White Circus, slugging it out on the World Cup ski circuit while her friends were hitting the beach. Each year she returns to Sydney just as the Southern Hemisphere's winter is starting.

"I've had 20 winters in a row, 10 years without a summer," Steggall said.

"It's hard, coming from the Southern Hemisphere; it's very tough."

Having struggled through a difficult

World Cup campaign that had gone steadily downhill since a second-place finish at Mammoth Mountain, Steggall returned recently to Sydney to recharge her batteries.

"I went back to the beach, saw my parents, saw my boyfriend, did some camping and relaxed," said Steggall.

"When things are going well, it's fine; but when they go off the rails, it's really hard not to have my family and boyfriend around for support."

On Friday, Kjus won the giant slalom title for his fourth medal of the championships as Austria's Olympic champion Hermann Maier slid out.

The Norwegian put in easily the fastest second run of the day to beat Liechtenstein's Marco Buechel by a knife's edge 0.05.

Buechel led Kjus by a quarter of a second after the first run.

Steve Locher, a Swiss, finished an unexpected third. (Reuters, AFP, AP)



Zali Steggall celebrating her victory in the world slalom championship. (Courtesy: AP)

(put on a happy face)

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AGENCIES**Clinton Warns to Ideals**

BEIJING, Mexico, AB — President Clinton and Mexican President Ernesto Zedillo will make official visits to Mexico City and Mexico City on Feb. 23 and 24. The two leaders will meet at the National Palace and discuss issues such as trade, investment, and environmental protection.

Clinton will also meet with Mexican President Ernesto Zedillo and Mexican Foreign Minister Jorge Gómez Cazarín.

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